

IN THE COURT OF THE TRANSPORT TRIBUNAL

TRANSPORT ACT, 1947, AS AMENDED BY TRANSPORT ACT, 1953

IN THE MATTER OF THE APPLICATION OF THE
BRITISH TRANSPORT COMMISSION (1954 No. 3)TO CONFIRM THE
BRITISH TRANSPORT COMMISSION
(PASSENGER) CHARGES
SCHEME, 1954

WEDNESDAY, 2ND JUNE, 1954

EIGHTH DAY

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PROCEEDINGS OF THE TRANSPORT TRIBUNAL

WEDNESDAY, 2nd JUNE, 1954

PRESENT:

HUBERT HULL, Esq., C.B.E. (*President*)

A. E. SEWELL, Esq.

J. C. POOLE, Esq., C.B.E., M.C.

Mr. HAROLD I. WILLIS, Q.C., Mr. E. S. FAY and Mr. KENNETH POTTER (instructed by Mr. M. H. B. Gilmour, Chief Legal Adviser to the British Transport Commission) appeared on behalf of the British Transport Commission.

Mr. GEOFFREY LAWRENCE, Q.C., Mr. LEON MACLAREN and Mr. GEORGE MERCER (instructed by Mr. J. G. Barr) appeared on behalf of the London County Council.

Mr. DUDLEY COLLARD and Mr. MICHAEL HALLETT (instructed by Mr. E. R. Farr, Town Clerk) appeared on behalf of Barking Borough Council.

Mr. DUDLEY COLLARD and Mr. MICHAEL HALLETT (instructed by Mr. Keith Lauder, Town Clerk) appeared on behalf of Dagenham Borough Council.

Mr. DUDLEY COLLARD and Mr. MICHAEL HALLETT (instructed by Mr. J. Twinn, Town Clerk) appeared on behalf of Romford Borough Council.

Mr. DUDLEY COLLARD and Mr. MICHAEL HALLETT (instructed by Mr. A. E. Poole, Clerk of the Council) appeared on behalf of Thurrock Urban District Council.

Mr. DUDLEY COLLARD and Mr. MICHAEL HALLETT (instructed by Mr. E. R. Farr) appeared on behalf of the South Essex Traffic Advisory Committee.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. G. A. Blakeley, Town Clerk) appeared on behalf of Walthamstow Borough Council.

(*Mr. Geoffrey Lawrence*): Before my learned friend resumes his cross-examination of Mr. Hill, Sir, there is one matter that has just come to my knowledge. Mr. Hill is, and has been for some days, concerned in a Parliamentary Bill that is before the House of Commons. I have received a message that the Committee requires his attendance there at 11 o'clock for further evidence. That places me in considerable difficulty owing to what, I understand, is a prior call, that the Committee of the House has in a case of that kind. Every effort was made to try to avoid it, but it is impossible to do so. My learned friend says he has no objection, subject to the view of the Tribunal, to postponing his cross-examination.

(*President*): I have indicated, Mr. Lawrence, that we regard ourselves nervous of the rights of Parliament. I am quite certain, Mr. Willis, that you will consent to that.

Mr. HAROLD GEORGE ROBINSON LAMBERT, SWORN.

Examined by Mr. MERCER.

2540-1. Is your full name Harold George Robinson Lambert, and do you at present reside at Parkstone, Dorset?—Yes.

2542. Are you a member of the Institute of Transport, and the late General Manager of the North Western Road Car Company, Ltd., of Stockport?—That is so.

2543. And I believe, Mr. Lambert, you are now retired from active service?—Yes.

2544. I believe your transport appointments also include those of General Manager of the East Midland Motor Services, Ltd., Chesterfield; Operating Manager of the Southern National and Western National Omnibuses, Ltd., Exeter; Traffic Manager of United Automobile Services, York; District Manager of United Omnibus Transport, Ltd., operating the London Country Area north of the Thames for and on behalf of the London General Omnibus Company?—That is true.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. R. H. Buckley, Town Clerk) appeared on behalf of the County Borough of East Ham.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. K. F. B. Nicholls, Town Clerk) appeared on behalf of Ilford Borough Council.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. G. E. Smith, Town Clerk) appeared on behalf of the County Borough of West Ham.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. D. J. Osborne, Town Clerk) appeared on behalf of Leyton Borough Council.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. A. McCarlie Findlay, Town Clerk) appeared on behalf of Wanstead and Woodford Borough Council.

Mr. GEOFFREY RIPPON and Mr. ALISTAIR DAWSON (instructed by Mr. J. W. Faulkner, Clerk to the Council) appeared on behalf of the Chigwell Urban District Council.

Mr. ARCHIBALD GLEN appeared on behalf of The Town, Aldermen and Burgesses of the County Borough of Southend-on-Sea.

Mr. F. A. RULER (*President*) represented the Federation of Residents' Associations in the County of Kent.

Mr. J. REID (District Secretary) represented the London (North) District Committee of the Amalgamated Engineering Union.

(*Mr. Harold Willis*): The matter was brought to my attention, and I immediately said I would fall in with whatever the Tribunal thought fit.

(*Mr. Geoffrey Lawrence*): I understand his attendance is not required there for a very long time, and he will be back here in about an hour.

(*President*): Very well, Mr. Hill, we will do the best we can for a time. Mr. Rippon put to Sir Reginald Wilson an extract from a paper he read at Balliol. Sir Reginald has sent us a copy of the complete address; we shall read the full address and not merely confine our attention to that part which was actually put to Sir Reginald.

(*Mr. Dawson*): If you please, Sir.

2545. Did you last year, Mr. Lambert, carry out an investigation of the Southampton Corporation Transport Department?—I did.

2546. For and on behalf of the Corporation?—I did.

2547. Does your evidence here today, or will your evidence here today, relate to the road services, such as those to which I have just referred?—Yes.

(*President*): Road passenger services?

(*Mr. Mercer*): Road passenger services; I am much obliged, Sir. First, Mr. Lambert, have you examined the fare structure as set out in the exhibits which are under consideration at this Inquiry?

2548. Perhaps you might first give us your general impression of the Scheme in that regard, particularly with reference to the lower fares proposed; that is, the higher

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[Continued]

lower fares, if I may put it that way?—Yes, I am particularly interested in the lower fares because they form the basis of the bulk of the revenue which the London Transport Executive obtain. I think it is really a dreadful thing to put in fares with prices of 2d. to 4d. and then to 6d. It will, in my view, create a tremendous user resistance, and altogether I would say it was a fatal step to take from the public point of view, and also from a revenue point of view.

2549. It has been said, Mr. Lambert, that there have been increases in the post-war years in the fares of provincial operators?—Yes, many.

2550. Have you anything you can say in connection with those increases?—They were on a very much more moderate scale; halfpenny rises are probably the maximum that have been made. As far as my Companies have been concerned, the bulk have been on a halfpenny basis.

2551. Have you examined the suggested distances which it is said will occur with the raising of these fares and the proposed increased revenue therefrom?—Almost anything can happen, but I think definitely the 12 per cent. drop which is estimated from the 3d. fare, I think it is, is on the low side.

2552. Is it your view, then, that increased revenue in that connection will not be realised?—I do definitely think that.

2553. Perhaps it would be useful, Mr. Lambert, if you would give us briefly what is the pattern of fares so far as the provinces are concerned. You can correct me if I am wrong, but so far as road passenger services in the provinces generally are concerned, do you have fares covering stage carriages, which include work people's services and workers' services generally which are not under contract, express carriage services, including excursions and tours?—Yes.

2554. And is it a fact that the licensing authorities in the provincial centres fix fares for all those classes of operation?—They do.

2555. So that in Manchester, with which you are familiar, there would be that pattern of fares running right through the various operations?—Yes.

2556. So far as the stage carriage fares are concerned, can you give us the fares applicable not only with reference to your own late Company, but with reference to the Corporation's services which are operative in Manchester on the stage carriage services?—I can.

2557. Can you give them to us? Up to 8d. will be sufficient.—There is a 2d. minimum fare in Manchester, they rise 2d., 2½d., 3d., 4d., 5d., 5d., 6d., 6d., 7d., 7d., and 8d. for the last three up to 18 stages on 9½ miles.

2558. In Manchester I understand that the fare stages are 0·53 miles long?—True.

2559. And the first or minimum fare is at a rate higher than that proposed under this Scheme, is it not?—Yes.

2560. It gives you a distance of 0·79 miles for 2d., which is at a rate, I understand, of 2·83d. per mile?—Yes.

2561. But the fare then tapers very sharply; at 2½d. you have a distance of 1·58 miles?—Yes.

2562. At a rate of 1·58d. per mile, is it?—Yes.

2563. And at 3d. a distance of 2·11 miles at a rate of 1·42d. per mile?—Yes.

2564. So the rate per mile is reduced until at the 8d. fare you have a distance of 8·98 miles at a rate of 0·89d. per mile?—That is so, but there is still a further distance of 9·51 miles for the same fare of 8d.

2565. (Mr. Poole): Mr. Mercer, are these rates you are quoting the rates for the maximum distance the passenger could travel?

(Mr. Mercer (to the Witness)): Is that so?—Yes, it is so.

(Mr. Mercer): Do you mean, Sir?—

2566. (Mr. Poole): What I mean is that you have quoted 0·79 miles for the 2d. fares, you see, which equals 2·83d. per mile?—Yes.

2567. Does that mean that is for his travelling the full length he can possibly travel on that 2d. fare?—It is not quite so. There is 0·53 for the first 2d. That 2d. fare will also take you 1·05 miles. The first stage of 0·53 miles is a 2d. fare and in addition there is also a 2d. fare for two stages, which is 1·05 miles, which is almost 2d. a mile.

2568. (Mr. Mercer): Although that is the rate per mile, you can travel a distance of just over one mile, 1·05 miles for 2d.?—Yes.

(Mr. Poole): It is really precisely the same for 2d. as it is in London, that is to say it is two fare stages, and I think in London the stages average 0·6 of a mile.

(Mr. Harold Willis): I think so. I can get the figure in a moment.

(Mr. Poole): These are 0·3 fare stages, and the London fare stages are much the same.

(Mr. Harold Willis): 0·55.

(The Witness): They quote their figures in miles.

(Mr. Poole): But it is in fact something a little over half a mile in London.

2569. (Mr. Mercer): In addition, are there early morning fares giving a fare of half the ordinary fare on the outward journey and the full fare on the return journey?—Yes.

2570. Are there advantages, then, Mr. Lambert, in these easy stages to which you have referred so far as either cutback or losses are concerned?—Yes.

2571. I would like to draw your attention to the question of operating or working expenses. If you include in working expenses those expenses such as we call operating costs, maintenance and depreciation, other traffic costs, maintenance and renewal of ways and structures, vehicle licence duties and general expenses, what do you say is the average cost of undertakings such as those to which you have been accustomed to deal with, per mile, in the provincial centres?—Did you, Mr. Mercer, include anything for depreciation in those items?

2572. I did include depreciation. You can exclude it if you wish for purposes of your calculation.—If you include depreciation one would expect a company operator today to incur costs of 19d. to 21d. according to the company involved.

2573. Would those costs be affected by the conditions of peak traffic?—Peak traffic would affect the costs, yes.

2574. And is that, within your experience, a feature peculiar to London?—No.

2575. Is it noticeably a feature applicable to Manchester, for example?—Very particularly to Manchester. Peak traffic in the Manchester district is very heavy indeed.

2576. And notwithstanding that, those are the costs you suggest are proper for provincial operation?—For company operation.

2577. Would municipal operators be higher or lower?—They generally are higher.

2578. I would like to refer you to the question of operation so far as supervision and staff is concerned. I understand you have looked at the British Transport Commission's Transport Statistics?—Yes.

2579. Particularly No. 9, Edition 53.

(President): The composite volume.

2580. (Mr. Mercer): Yes, and on pages 12 and 13 you have noted the figures of staff there referred to. These appear, do they not, Mr. Lambert, to give a figure which I think has already been referred to, of 6½ employees per vehicle?—Yes.

(Mr. Harold Willis): Employees in total?

2581. (Mr. Mercer): Yes. That is on the basis of 61,041 staff to something approaching 10,000 vehicles. That is so, is it not, Mr. Lambert?—Yes.

2582. You have noted, have you, that the Tilling and Scottish groups showed figures of 4·68 and 5·08 respectively in 1951?—Yes.

2583. To what extent are any of these figures comparable with those of the companies with which you have been connected?—The Tilling and Scottish groups are quite comparable with the Company with which I have

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[Continued]

been associated. I would have expected in the London Area, where there is a larger number of vehicles involved, located in larger units, that the staff per vehicle would have been very much less than 6½.

2584. What about the figures so far as Manchester is concerned?—The Manchester Municipal Undertaking Report for 1952-53 gave 5·04 staff per vehicle. My own Company was 4·65.

2585. Would the statistics so far as companies such as yours, or others, be available to the Commission as far as you know?—Yes, they would be through the directors who were appointed to the boards of various companies in which the British Railways were interested. Whether it would go beyond them to anyone else I do not know.

2586. You have also noted that at the 1953 Hearing Mr. Valentine was reported to have stated at page 226 of the transcript of that Hearing, Question 3612, that the allocation of supervisory staff was one to 18 drivers and conductors, or nine bus crews. What have you to say so far as supervisory staff is concerned in that connection?—By comparison with my own Company where the figure is one to 41 drivers and conductors or 20 bus crews, it is a very low figure indeed and also compared with—I can almost say it was an associated undertaking because we worked so closely with them—the Manchester municipal undertaking; their figure was one to 34 drivers and conductors or 17 bus crews. My deduction from that, was that, on the face of it, there were too many supervisory staff. I do not include ticket collectors and road inspectors.

2587. Those are the classifications which you understand as being included in supervisory staff?—Yes.

Cross-examined by **Mr. HAROLD WILLIS.**

2594. Mr. Lambert, what is the general object of your evidence; what is the purpose of your evidence?—To avoid the introduction of fares which are going to restrict revenue to the undertaking and also to penalise the potential passenger.

2595. You are coming here in effect, as I understand it, to protect the London Passenger Transport from making a terrific blunder; would that be a fair way of putting your evidence?—You said that.

2596. Would that be a fair way of summarising your evidence?—I think it would be a blunder to put these up.

2597. Have you had any experience of operating buses in London?—Not for a long time.

2598. As I understand it, the whole basis on which your evidence rests is on the experience you have had in the various undertakings to which you have referred?—Yes.

2599. The whole basis of course depends on those undertakings being comparable with London:—The operating side is comparable to London: the actual running of vehicles is comparable to London.

2600. Do all your undertakings have precisely the same costs and fare levels?—No.

2601. Are some, therefore, more efficient than others?—Yes.

2602. Because some charge higher fares, that is a mark of inefficiency, is it?—No, because of local conditions.

2603. Exactly what I thought, Mr. Lambert; the local conditions must be fully appreciated before you can make any valid comparisons at all.—Yes.

2604. (President): I do not think you gave us the order of Mr. Lambert's practical experience; was Manchester the latest?—I was.

2605. I do not think we were told when you were in London.—I finished my active career in 1952.

2606. (President): In Manchester?—Manchester district.

2607. (Mr. HAROLD WILLIS): But not in connection with the Manchester municipal undertaking?—Only by close co-operation.

2608. You were not employed by the Municipality?—No.

2609. You were not responsible for the Manchester undertaking?—No.

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2588. Now I would like to draw your attention to costs of operation in relation to prewar costs. It has been said, or you have heard, that fares will now be only 94 per cent. higher, whereas costs have gone up to about 140 per cent. higher than prewar. What have you to say about that?—An observation of that sort is, to put it plainly, something of a red herring. There is no relationship between the percentage increase on costs to that of the increase in the cost of fares in other words, you cannot expect them to be parallel. I can illustrate that by saying that if you assume a 5d. increase in the cost per mile running and divide it by your average loading, you get an average increase in fare cost to passenger to cover that cost of 4d. a mile, and of course a 4d. a mile is not 140 per cent. above the original figure.

2589. What was the position prewar as far as your Company was concerned?—24 per cent.

2590. Finally, Mr. Lambert, can you give us your view (as an operator) of London, from the point of view of successful or other operation of road services in this area?—As a provincial operator, I think the managers of every undertaking in the country would expect London to be a really happy hunting ground for passengers; in other words there are plenty of chimney-pots and plenty of people to pick and choose from; there should be no difficulty in getting the passengers you want.

2591. At the fares to which you have referred?—At the proper fares.

2592. (Mr. Mercer): Are those the fares to which you have referred as, for example, in Manchester?—Fares that have easy jumps and are attractive to passengers.

2593. (President): Of course, if your fares are attractive to passengers, passengers will be attracted, will they not?—That is so.

2610. Let us see what sort of undertaking you were dealing with. It is one which has occupied you for how many years?—The North Western Road Car Company, for seven years.

2611. That operates, does it not, over a very wide area?—It does.

2612. You operate primarily not urban services; your services are not primarily urban services?—I would think, without reference to any book, that it would be about 50-50 because a very large portion of our operation was in Manchester.

2613. You say about half in Manchester.—Roughly that.

2614. And half in the country districts?—Yes.

2615. How much is express service?—Comparatively quite a small amount. I cannot give you the figure for that at the moment.

2616. Do you know what proportion of your receipts were derived from your express services? Can I help you on this, Mr. Lambert? It was 14 per cent., was it not?—That may be.

2617. Do the express services represent low cost operations?—Yes.

2618. Because there is speed, infrequent stops and a high proportion of productive time for the vehicle and crew?—Yes, it all helps.

2619. And some of those, of course, you only run in the summer when you can get very good loadings?—Some were only run in the summer, but the greater portion of them ran all the year round, night and day.

2620. Are you suggesting to this Tribunal that the experience you have in your Company is of any value at all in considering London?—Yes, I do.

2621. Are you suggesting to this Tribunal, taking the expenses side first of all, that our estimate of expenses is wrong?—I have not been able to dig into your costs for expenses. I am not inside the organisation, you see.

2622. Are you criticising our organisation?—From the point of view of staff, which can be ascertained from the expense statistics.

2623. Apart from the staff are you criticising our organisation?—What do you mean by "organisation"?

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[Continued]

2624. The organisation which we have which incurs the expenses which Mr. James estimated at the figure of £70,1m.—I think they are open to criticism.

2625. Everything is open to criticism, Mr. Lambert; are you criticising them?—I definitely criticise the points I have referred to.

2626. Are those the only points you criticise?—At the moment, because I am not inside the organisation.

2627. I just want to see to what extent your evidence is of value to this Tribunal in considering what is appropriate to London.—Yes.

2628. Do you follow that?—I do.

2629. We are not considering what is appropriate in Manchester.—No, I know that.

2630. You say, as far as the expenses side is concerned, that the only things you criticise, or are prepared to criticise, are staff ratio and supervisors; is that right?—Yes.

2631. Those are the two points.—Yes.

2632. What sort of proportion of the total cost of London Transport Road Services do you think is attributable to staff?—I do not know.

2633. The figure I put to you which is about 65 per cent. of the costs of the road services is represented by staff.—The cost?

2634. The cost.—Yes, that may be.

2635. Does it occur to you that staff control would in those circumstances be the thing to which particular attention was directed?—It may not have the effect of saving millions, but it would save thousands if there was.

2636. I quite agree; if you could get rid of 10 per cent. of your staff it would effect a very nice saving.—It would, yes.

2637. Do you suggest we can get rid of 10 per cent. of our staff?—It looks as if there is room for some reduction.

2638. How many staff can we get rid of by giving them notice today so as to save money?—I do not know.

2639. How then can you criticise our figures of staff if you cannot say how many too many we have?—I said just now, Mr. Willis, that one has to be inside an organisation to know the full implication. My observations were from the statistics which are produced monthly.

2640. Do you think it is of any value to this Tribunal to say that because in the Tilling or Scottish Group there is a certain ratio between vehicles and staff therefore a higher ratio in London discloses wasteful use of staff?—It may be useful to the Tribunal who are not aware or have not been aware of the comparison hitherto. At the same time it may be useful in holding the light to the position so that one can say, "Here is a pointer, we must look into this."

2641. That is all it amounts to, is it?—It is pretty important.

2642. It is a friendly warning by you to the Tribunal and the British Transport Commission that their staffing ratio looks wrong?—Yes.

2643. Is that a fair way of putting it?—Yes, that would be quite fair.

2644. Because it is different from Tilling and the Scottish?—And my own experience.

2645. Does the question of the ratio of staffs to vehicles depend to a considerable extent on how long in the day the vehicles run?—Yes, it all has a bearing, but if you take like for like, every company, every operator, is faced with vehicles in the garage for perhaps half the day, often three parts of the day; we are all faced with the same trouble. If you take like for like, the position is normal.

2646. Is London the same as Tilling in respect of the hours the buses operate?—Peak loadings?

2647. The bus hours in use.—Probably.

2648. How many hours?—From 9 in the morning until 4 in the afternoon I expect there are many buses out of service.

2649. How can you give that answer if you do not know the figures?—I have not mentioned any figures; I have said from a user point of view.

2650. But you cannot say there is not the same number in London as in the Tilling Group unless you know the hours the buses are on the road respectively.—Obviously one cannot say how many hours the buses are off the road if one cannot get the information from inside; but I say it as a man of 40 years experience; a good deal of common sense comes into this sort of thing.

2651. You think the London Transport Executive is lacking in common sense?—I did not say that.

2652. Do you think they are allowing members of their staff, expensively employed, to sit in garages doing nothing? What is the suggestion?—I think probably there are plenty of people doing nothing in the garage for which they have to be paid.

2653. Are you suggesting that they are sitting there doing nothing when they could be discharged and not paid?—I do not know.

2654. Can you give me an idea of what our utilisation per week day and per Saturday is? What would you think it likely to be?—Will you repeat that question?

2655. What do you think would be the number of hours on the average that the buses are being used, Mondays to Fridays and Saturdays?—The average? I should think probably in London it would be seven hours, all in.

2656. The figures I put to you are, Monday to Friday 11 hours 56 minutes, Saturdays 13 hours.—It all depends again on what they call usage of vehicles.

2657. If you do not know the facts, Mr. Lambert, how can you give evidence to assist the Tribunal or to assist everyone else?—I did not claim to know the facts; I am giving evidence from the statistics only.

2658. You can only create mischief, Mr. Lambert, if you give that sort of evidence.—I do not think so. If it holds a light of any calibre it is useful.

2659. Now you have had the hours put to you do you wish to withdraw the evidence you have given in regard to staff?—No.

2660. (President): How many hours is it for the North Western Road Car Company?—I really could not say, Sir.

2661. You guessed at 7 for the London Transport Executive.—I did.

2662. Can you guess at anything for your own Company?—I would not like to make a guess.

2663. You would not like to put a figure at all?—I do not think so.

2664. (Mr. Harold Willis): Do you think you could get as near our 13 hours as your figure of 7? Do you think you can get as near as that?—I would not like to put a figure at all. I know our vehicles worked very good time from the fact of the high average mileage per week.

2665. What about the speed? Is that a factor?—Yes.

2666. What is the average speed of our vehicles?—I have heard it said here that it is 7½ miles an hour in the Central London Area.

2667. What is it in your area?—Probably about 11 or 11½ miles an hour. It makes a difference I agree.

2668. You said something about supervisors. Do you criticise the number of supervisors we have?—I do.

2669. On what do you base that criticism?—On your own figures.

2670. Again are you saying that because we have a certain number of supervisors it is wrong, having regard to your experience?—Yes. I did not say it was entirely wrong; I showed up the comparison and it rather indicated to me that you had a higher proportion of supervisors than there is necessary for.

2671. I think you referred to the number of supervisors as 2,727.—Yes, there is 2,725.

2672. Do you know that of that number 500 are depot staff?—I did not know that.

2673. Were you comparing our number of supervisors with your supervisors on the basis that they were doing supervision of services and ticket checking?—Yes.

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[Continued]

2674. Is that what you thought they did?—Yes.

2675. Not any other class of supervision?—Depot inspectors.

2676. You were including that, were you?—Yes.

2677. Why do you think London Transport employs supervisors?—For the same reason that provincial operators employ them—to supervise the running of the services.

2678. You say we employ too many.—I would think so, yes. There were five of them outside Morden Station this morning.

2679. To see you had your ticket.—I do not know.

2680. Mr. Lambert, let us just try and approach this matter seriously.—I am.

2681. Is the object of having supervisors to save money?—Yes.

2682. And to provide more efficient services?—Yes.

2683. If we think we can save money by increasing the number of our supervisors, is that inefficiency?—It all depends how much you save.

2684. If we save at least the cost of the supervisors, is that inefficiency?—No.

2685. So that in order to be able to make any point on that, you have to know what results are coming from the supervisors being employed. Until you know that you can draw no useful deductions at all, can you?—That is true.

2686. Is that right?—Yes.

2687. Do you agree?—Yes.

2688. I am reminded that today, from a traffic point of view, has a certain significance.—Today?

2689. At Morden.—Has it?

2690. Do you not know it is Derby Day today? Did it not occur to you that at Morden some of those gentlemen may have had objects other than merely to look at your ticket?

(*Mr. Geoffrey Lawrence*): I should think being Derby Day they probably had!

(*President*): In about an hour or so, when you will be free here, if you go to Waterloo, you will find conditions unusual there, I imagine.

2691. (*Mr. Harold Willis*): Mr. Lambert, I have just one further matter to put to you about supervisors. You know, do you not, that one of the great difficulties in London in operating services arises from the density of the traffic?—Yes.

2692. Which makes it progressively more difficult to retain the proper timing of the services?—It is more difficult, yes.

2693. Would you not expect in those circumstances that we should have more supervisors in London than in your undertakings?—I would be quite willing to concede some plusage on the London position compared with the provinces. When I say provinces, I mean cities like Manchester.

2694. Let me conclude this matter in this way by asking you how supervisors, in your view, could usefully be got rid of?—I do not know.

2695. That deals with the costs, I think, because you do not criticise our costs, as I understand it, in any other respect—I cannot do that as I am not inside the house.

2696. Now a question or two about fares. You have thought it right to put forward some pretty strong criticisms of the fare structure proposed in this Application.—Yes, on the lower fares.

2697. What alternative fare structure do you suggest we should have adopted?—I am definitely of the view that unless fares are in easy rises you are going to detract traffic from using the vehicles and, after all, the business of the bus operator is to attract traffic.

2698. Tell me this—you have not yet answered the question I put to you—what fare pattern do you suggest we should have put forward?—I would advocate a fares structure rising by 1d. jumps, or even ½d. jumps.

2699. This was not actually put to Mr. Valentine, but I do not complain too much of that. It ought to have been in 1d. jumps?—Or even ½d. jumps.

2700. You have not had the advantage or disadvantage, Mr. Lambert, of attending these inquiries in years gone by?—No.

2701. Then you have not had the advantage of hearing Mr. Valentine's very complete explanation of the difficulties in London of adopting the sort of suggestion you are now putting forward.—I cannot see any difficulty in doing so; it always used to be.

2702. Not in London.—In the old days in London there were 1d., ½d., 2d. and 2½d. fares.

2703. Yes, but the value of money was quite different in those days.—The 1d., 2d. and 3d. fares before the war were substantially the same as the 2d., 4d. and 6d. fares today.—I do not accept that from the user point of view.

2704. You do not accept it from the point of view of the value of the 1d., or from what point of view?—You have to attract the passenger whether he is going to pay 1d. or 2½d. or 3d. and give him his fair value for it.

2705. Do you agree that we should have a minimum of 2d.?—I would not disagree.

2706. You would not like a minimum of ½d.?—That would be absurd.

2707. Then going up by ½d. jumps all the way through?—I do not think that would be at all a bad scheme.

2708. How many different fares do you think the conductor would have to remember if you did it on that basis?—I do not know, but I think a provincial conductor would deal with it quite easily and have far more in bulk to deal with than a man in London.

2709. You think the provincial conductor is quite capable of dealing with that, do you?—I am sure he is.

2710. (*President*): When you say 2d. to 2½d., do you mean one stage beyond the 2d. limit is to be 2½d.?—Yes, I think the fares should be priced for every stage.

2711. Subject to a 2d. minimum?—Yes.

2712. Then rising by ½d. a stage thereafter?—Yes, as an ideal fare table and one which would be attractive to the travelling public.

2713. (*Mr. Harold Willis*): What would be the length of the stages?—Leave them at half mile stages, as they are today.

2714. ½d. for half a mile is 1d. a mile, is it not?—Yes.

2715. So your fares would be charged at the rate of 1d. a mile.—You could work your stages out according to your pick-up points.

2716. Have you worked out how much money London Transport Executive would lose if fares were 1d. a mile?—No.

2717. You have not thought of that?—No.

2718. Has it ever occurred to you, Mr. Lambert, that one of the important things is to consider the financial repercussions of your suggestions?—I have been used to having to consider that.

2719. Have you considered it in connection with this Application?—No.

2720. Have you considered the difficulty of collecting fares if you introduce these very short stage journeys?—I do not think there is any difficulty about it. It happens all over the country.

2721. In London there is very much more short distance travel in the centre, and outside too.—Yes.

2722. Much more than you would have on your services.—Outside the city areas, yes.

2723. And the outside areas, in your case, represent a much bigger proportion of the whole than in London.—Approximately 50-50 I said just now.

2724. You think two things, first of all, that we should have this ½d. fare stage of half a mile and a minimum fare of 2d., and you put that forward as your contribution, do you, for the assistance of this Tribunal?—I certainly think it would help to create traffic.

2725. I think we would be prepared to agree to that, Mr. Lambert; it would create a great deal of traffic. The important thing is whether it would create the required amount of revenue. That is the important point. Is it not?—Yes.

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Mr. HAROLD GEORGE ROBINSON LAMBERT

[Continued]

2726. Has it been your experience as a traffic operator over these very many years that the only thing really is to see you get your buses full, even if the passengers do not pay anything for the ride?—That is absurd.

2727. I should have thought so. So you have to consider the receipts side?—Yes, of course. But it is no good hindering people or putting obstructions in the way of their travelling.

2728. I am not going to ask you any more questions about fares, you having made that very illuminating contribution. Let me pass to a slightly different matter. You would agree, would you not, that costs of vehicle operation have risen very steeply over the last few years?—Yes.

2729. And, in your case, by how much have costs risen since 1950? Have you a figure?—I am not sure. I do not think I could tell you, Mr. Willis, how the costs have increased since 1950, but I can tell you by how much they have risen since 1939; and that is 140 per cent.

2730. It is not very different from ours.—No, I was surprised at the level.

2731. And we have pointed out as a matter of interest, Mr. Lambert, that our fares are only 94 per cent. higher, and you say that is a red herring, that your figure is only 24 per cent. higher.—I did not illustrate it as a red herring in that context at all.

2732. You said it was a red herring to call attention to the percentage increase in costs and set alongside that the percentage increase in fares.—I indicated that the red herring aspect was that it was erroneous to expect the fares to increase at the same percentage as costs.

2733. Of course it depends on loading.—Exactly, but it is frequently used in hearings; and I have always been against the use of the comparison. I do not agree that fares should be increased in the same percentage as costs.

2734. Your ability to keep the increase down to the figure you have put forward is due primarily to your very favourable loadings.—I do not think so at all.

2735. How do you then explain your costs having gone up 140 per cent. and your fares have only gone up 24 per cent., if it is not due to better loadings?—Because of the cheaper costs of operation we have and also the fact that we did not lose a particularly great volume of traffic.

2736. Has loading not something to do with loss of traffic?—Loadings are related to loss of traffic.

2737. Are you, as an experienced traffic operator (retired), suggesting that your figure of 24 per cent. is not primarily the result of favourable loadings as compared with pre-war?—I should say the loadings were approximately the same, and the increase in revenue is due to increase in fares to cover the increase in costs.

2738. Loadings the same, you say?—Probably the same.

2739. Loadings the same; fares have gone up 24 per cent.; takings, 24 per cent. The same loadings: the same number of people on the bus?—I would say so.

2740. A 24 per cent. increase in fares; operating costs 134 per cent. Is the North West Road Car Company in liquidation?—Not yet.

2741. How many passengers did you carry on your Company's vehicles in 1938?—I think I could look at the document at which you are looking and tell you.

2742. 60 million.—I will accept that.

2743. I cannot take you beyond 1948, when it was 103 million.—That may be so, yes.

2744. Is that all due to new services?—From when?

2745. In 1938 you took 60 million passengers; in 1948 you took 103 million passengers.—There would be a certain amount of development in new services.

2746. That is why I put that point to you. How much of that is due to new services?—I cannot tell you.

2747. How many more vehicles had you in 1948 than in 1938?—That I do not know.

2748. Let me put the number to you. In 1938 you had 560; in 1948 you had 542.—That is possible.

2749. Will you say you are not having a better loading? Is that right?—A better loading in your mind, I think, must mean better average loading; but it may mean that the vehicles are doing far more work.

2750. Are they doing very much longer hours of work today than in 1938?—I do not know.

2751. You see that would be reflected in the mileage. This document has all the answers, you see.—Yes, I compiled the book myself.

(President): What is it?

2752. (Mr. Willis): "North Western Road Car Company Limited. Yesterday and Today. 25 Years of Private Enterprise" (*To the Witness*): In 1938, 20,286,000 miles operated; in 1948, 22,820,000 miles operated.—Yes, about 25 million miles in my last year.

2753. I am just reminded that it is about 10 per cent. up in mileage and about 66 per cent. (or thereabouts) up on passengers.—Yes. I dare say that is so.

2754. And that does not reflect better loading?—Not necessarily better loading; it is a better return altogether. There are more miles run, and they mean more passengers.

2755. Perhaps we do not speak the same language. I have not very much more to ask you now, Mr. Lambert, but you do appreciate, do you not, the London Transport's problem is a very different one from that in the provinces? I just want you to consider very briefly the salient differences. Traffic conditions are different, are they not?—I would say that London is unique.

2756. Wages are different?—Yes.

2757. Do you know the comparable figures? May I put them to you? Drivers employed by the North West Road Car Company get 137s. per week; that is at the maximum rate after they have been employed for a year.—That is probably so.

2758. London Transport Central Service's drivers, 168s. 6d. Conductors: 133s. in the North Western Road Car Company; 154s. 6d. in the London Central Road Services.—Yes; I do not think the first figures you mentioned include the last rise, and it may be that the London Transport Executive figures do include that.

2759. These have been checked, and I am told they do include it in both cases.—Very well.

2760. I think you can take it that the figures are right. Then, slower speeds, of course, make a very important difference. In London, the average figure has been given as 11-12 miles per hour. What would the average speed of your vehicles be?—In Manchester it would be about the same; outside, the schedules would be on a higher speed per hour, a higher rating.

2761. I am told the rate of speed into Manchester—this is on certain routes which I can give to you if you wish—about 15 miles per hour.—The timetable would be worked out on the basis of up to 15 miles an hour on the country routes.

2762. More outside and less inside?—Yes.

2763. On the average 15 miles an hour?—Yes, less inside.

2764. You did not say very much about municipal costs, I noticed, when you were answering my learned friend Mr. Mercer. You gave some costs for your undertakings. Do you know the costs of the comparable municipal undertakings, the working costs per mile?—I do for Manchester because I have a copy of their last account.

2765. Is that higher than London?—I do not know.

2766. I am quoting the year 1952 for London Transport and the local authority year 1952-53; that is, ending the 31st March, 1953, for the local authority.—Yes.

2767. And the figures with which I have been supplied are for Central Buses: 26.59 for London; 26.34, Manchester.—That is correct.

2768. Birmingham, 27.84.—I have not the Birmingham figures.

2769. Then (just to have the four nearest to London) Glasgow, 24.02; and Liverpool, 26.40. Is that about right?—Yes, I would think so.

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Mr. HAROLD GEORGE ROBINSON LAMBERT

[Continued]

2770. That shows very clearly, does it not, that if you can make any comparison at all with provincial undertakings, the municipal undertakings have more features in common with London than the Company undertakings?—Yes.

2771. And these figures you did not put before the Tribunal.—No.

2772. Did you know the figures?—I knew them because I have them here; I knew them for Manchester only, of course.

Re-examined by Mr. GEOFFREY LAWRENCE.

2773. Mr. Lambert, I gather from something you have said that this is not the first occasion on a fares application or a transport inquiry that you have heard the relationship between the increase of costs and the increase of passenger fares relied upon by the promoting authority?—That is so.

2774. I gather you also say that you have always taken the view that it was of little assistance?—Quite.

2775. If any?—Yes.

2776. Is that because any comparison of those figures includes the implication that they should be the same?—I object to it because there has been the implication that they should be the same.

2777. I do not know the extent of your knowledge of London. Do you know that last year for some weeks before the 1953 Inquiry, the buses in London were plastered with a statement of the figures that were applicable to last year, the public consumption?—I do not know what was in London last year.

2778. There has been an absence of that kind of propaganda this year. It has been suggested to you that your evidence is entirely useless because conditions in provincial urban centres are not precisely the same as conditions in the Metropolis.—Yes, that has been suggested.

2779. I take it you have never suggested that the conditions were precisely identifiable one with the other.—I have not.

2780. Are you entirely a stranger to London?—No.

2781. Are you entirely a stranger to the conditions that confront an operator of road transport in the Metropolis?—No.

2782. You were at some stage, I understand, engaged by the London General Omnibus Company?—Not directly by them, but for and on behalf of them.

2783. You are not wholly unfamiliar with conditions in this city?—No.

2784. (President): About what date was it that you were in London?—It was some time ago, 1924, 1925 or 1926.

2785. (Mr. Geoffrey Lawrence): Have you been continuously engaged in transport operation ever since?—Yes.

2786. As far as you know, have the conditions of operating transport in the Metropolis altered in kind or only in degree since the years when you had personal acquaintance with them?—I did not quite catch your question.

(President): Mr. Lawrence feels that 1924 is a long time ago, and he wants to know whether you think it is different now.

2787. (Mr. Geoffrey Lawrence): What I was asking was whether he considers that the problems of road transport in London have altered in kind or only in degree between the years 1920 and 1950.—I think they have altered in degree.

2788. (Mr. Poole): There is only one question I want to ask Mr. Lambert. When you were talking about narrowing the scales, Mr. Lambert, and let us call it 2d., 3d., 4d., 5d. and 6d. if you like, that is to say, a scale by fare stages rather than by miles?—Yes.

2789. —were you confining that recommendation to the lower stages, the lower scales, say, from one to five miles, or further, right along the scale?—I think one would have to be consistent right through the scale on a fare table, but I particularly emphasise the lower scales, the lower ranges, because that is where the traffic is brought in.

2790. (President): You must have a reasonably even progression, must you not?—In my view, yes. There can be, of course, an attraction by tapering off fares for longer distances.

2791. Are the stages in Manchester, or rather were the stages in Manchester, fixed by the Police?—No, I do not think so.

2792. They were fixed by you?—They were fixed by the municipal undertaking in Manchester with the approval of the Police, and we operated exactly the same points.

2793. (Mr. Harold Willis): Only the stopping places had to have the approval of the Police, not the fare stages; those are entirely in the control of the undertaking.—Yes, the stopping places.

(President): I ought to have said the stopping places.

(The Witness withdrew.)

MR. HARRY HOWARD KARSLAKE, SWORN.

Examined by Mr. MACLAREN.

2794. Is your full name Harry Howard Karslake?—Yes.

2801. If we may now refer to your tables, will you go first of all to the table numbered LCC 304B?—Yes.

(President): Table 304B is at page 98 of the print.

2795. I think you are a Chartered Surveyor, a Fellow of the Royal Institution of Chartered Surveyors, a Fellow of the Rating and Valuers' Association, and a Fellow of the Institute of Housing?—Yes.

2802. (Mr. MacLaren): I am much obliged, Sir. (To the Witness): I think this was as it were a preparatory table which you prepared, and it brings into comparison what you have called the authorised scale—that is to say, the maximum scale as in fact operated by the Commission on British Railways—with the existing scale in the London Transport Executive and the proposed scale, and of course the corresponding scale for day returns on London Lines?—That is right, but perhaps first of all I should draw attention to three arithmetical errors in the "authorised" column; I am referring to column (3) "Rate per mile". Against the figure of 7 miles, the 1.85 should be 1.86; against 9 miles, 1.40 should be 1.78, and against 10 miles, the 1.50 should be 1.80. I am very sorry to have to make those arithmetical corrections in the table.

2796. I think you are Assistant Valuer in the Valuation Department of the London County Council, and you are the Officer in Charge of the Rating and Statistical Division of that Department?—Yes.

2803. Column (2) shows the charge, which is the maximum charge operated by British Railways for a single journey, and it is calculated, I believe, at 1.75d. per mile, and rounded up to the nearest penny. That is in fact how it is worked, is it not?—Yes.

2797. You are responsible to the Valuer for certain statistical work in connection with rating, population, housing and transport?—Yes.

2798. And your Department has been concerned in the preparation of the Exhibits numbered 300, which are before the Tribunal at this moment?—Yes.

2799. I think you wish to begin by dealing with some illustrative tables showing the relationship between the fares policy conducted by the Transport Commission outside and inside London; is that right?—If you please.

2800. You want to draw attention to the kind of change which has been made between the last Inquiry and the present one?—Yes.

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Mr. HARRY HOWARD KARSLAKE

[Continued]

(*Mr. Poole*): And it is rounded up to the nearest mile, is it not?

2804. (*Mr. MacLaren (to the Witness)*): Is that right? Is it part of a mile or the nearest mile?—No, it is rounded up to the nearest mile.

(*President*): Mr. Lawrence, what submission is this and the comparable tables to be used to support?

(*Mr. Geoffrey Lawrence*): To support this submission, as I indicated in the preliminary words I addressed to you, Sir, before I call any evidence at all; having criticised the budget as being excessive, having indicated the results which we suggest and submit will be the results of these increased fares in London, we should be wanting in what assistance we could offer to the Tribunal unless, in the broadest possible lines, we suggested some alternative to what is suggested here. We suggest there should be a different approach on policy grounds, to the whole problem; we are going to suggest that that has already been observed, since the last Inquiry, outside London, by that section of the British Transport Commission which operates outside London, in contradistinction to that which appears to be the settled policy inside London. These tables are merely designed to give some substance to the submission that there is a difference of approach in the policy as between outside and inside London, and when the problems inside London reach the acute stage which we suggest they have reached at this Inquiry, it is time for an equation of policy outside and inside London. That is the submission, Sir.

(*President*): Is this right, that this is the cheap fares point, putting it shortly?

(*Mr. Geoffrey Lawrence*): Yes, Sir.

(*President*): Generalised rather than particularised?

(*Mr. Geoffrey Lawrence*): Yes, generalised rather than particularised, but brought up to date and thrown into sharper focus this year than it ever has been before by reason of the position of discounts and other cognate matters which have arisen in the course of this Inquiry in relation to London.

(*President*): Thank you very much, Mr. Lawrence.

2805. (*Mr. MacLaren (to the Witness)*): May I call attention to the comparison between columns (2) and (6), that is to say, between the scale charge on British Railways and the proposed scale on London Transport Executive and London lines. The two scales are the same down to nine miles, are they not?—They are, but it must be remembered that day returns are usually available outside London at rates much below those shown in columns (2) and (3).

2806. After nine miles, as we know, the London Transport Executive rate falls behind the scale for British Railways?—Yes, the authorised scale.

2807. What you have called the authorised rate?—Yes.

2808. I think, as a matter of interest, you have continued the table to show the day return charges, existing and proposed, in London?—Yes.

2809. And you have put in the last column figures extracted from the Nottingham area, of the charge per mile for day return tickets there?—Yes, I have used the Nottingham ones because they were from a table proved at the last Inquiry; but the comparison would be similarly shown by comparing with Birmingham or Manchester. In other words, the extent of the concession below the authorised rate outside London over that available inside London, is shown by a comparison between columns (11) and (12).

2810. I think this is quite self-evident, but for the tables which come hereafter it is important to observe the amount by which the charge per mile on the existing rate inside London falls short of the British Railways scale, when we come to deal with day returns and ordinary fares inside the London Area?—Yes.

2811. I do not think we need delay over the next table at all, except just to look at it; it is Table LCC 304C, which, for the sake of completeness, does the same with the existing and proposed early morning scale?—Yes, and again I am sorry to have to draw attention to an error in column 5; the 1.65 which relates to the 6d. return fare for the two miles should in fact be 1.63,

and if you are reading from the transcript and not from the exhibits, you will find that ditto's have been included under Note (c) where in fact they should not be included. They are not in the exhibits and they should not have gone into the transcript. Note (c) should read: "BTC 807, columns 7 and 13 . . .".

2812. (*Mr. Harold Willis*): The words from "adjusted" should come out?—Yes, they only apply to Notes (a) and (b).

2813. (*President*): This is BTC 806, is it not?—Yes, Sir, it is BTC 806, columns 7 and 13.

(*President*): I see; the rest should not be there.

2814. (*Mr. Poole*): I thought you said BTC 807; you did not mean that, did you?—I am sorry; I meant BTC 806.

2815. (*Mr. MacLaren (to the Witness)*): I think the only matter which may become relevant is that the proposed early morning fares are still above a penny a mile?—Yes, that is so; the rate per mile is the same, even up to 10 miles on existing scales, but under the proposed scale it would, of course, rise above the outside London scale at all points above two miles—from two miles over. Perhaps it should be noted that the early morning fares in London, existing or proposed, and particularly I think the proposed early morning scale in London, offers no concession to early morning travellers below three miles. I would add to that, that so far I know of no road fare outside London which charges as much as 2d. a mile for the first two miles of travel. May I also say that the divergence between the outside London early morning rate and the proposed higher rate for inside London does seem somewhat in conflict with the Commission's policy as expressed in BTC 6, paragraph 1, where they say this: "The present"—that is, of course, the 1953—"Early Morning return and season ticket scales remain identical both inside and outside the London Area. This feature was explained at the Public Inquiry into the 1952 Scheme. There is still no justification for different scales inside and outside London and, with the need for additional receipts from passenger traffic outside London, no reason exists to disturb this parity by imposing differential increases".

2816. Thank you. That point was put, I think, to Sir Reginald Wilson, and he explained the fact of scales remaining the same for season tickets and early morning fares outside London by saying that the introduction of the day return fare had made the raising of the rates impracticable. I am speaking from memory here, but that, if I recollect rightly, was his answer.

2817. (*President*): You were reading something from BTC 6?—Yes, Sir.

2818. Have I lost the vital document?—It is paragraph 1 in BTC 6, headed: "Explanatory of Exhibits".

(*President*): But where is BTC 6?

(*Mr. Harold Willis*): It is at the last Inquiry, Sir; there are BTC 4, BTC 5, and BTC 6.

(*The Witness*): The paragraph I am referring to is the last sub-paragraph of paragraph 1, and it refers not only to early mornings but to seasons. It is unnecessary for me to put in a table on seasons because the difference between London and outside London on the seasons is explained by reference to BTC 807. In BTC 807, columns 2, 3 and 4, which are headed "Existing", will remain the season ticket rates outside London; columns 5, 6 and 7, headed "Proposed" would be the higher rates in London, and the extent of the difference between the two is set out in columns 8, 9 and 10, which are all to be found on BTC 807.

2819. (*Mr. MacLaren*): May we now turn to table LCC 301A.—This table is fact table LCC 106 of the last Inquiry, revised to the extent—

(*Mr. Harold Willis*): This is on page 70 of the transcript, Sir; it was put in on the day before.

(*The Witness*): It is revised to the extent which I have indicated in the heading.

2820. (*Mr. MacLaren*): Can I put that shortly: The revision has brought it up to date; is that not right?—The revision has brought it up to date, but before I deal with the revisions, if it is necessary, again there is an error which inexplicably was in BTC 106—the fare on line 26.

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Mr. HARRY HOWARD KARSLAKE

[Continued]

2821. That is the fare to Whitwell.—Yes: the fare there should be 4s, and not 3s.; the 0·86d. per mile for the journey to Whitwell is deduced from a fare of 4s. and not from a fare of 3s.

2822. Before we look at anything in this table, there is just one matter to which I believe you wish to call attention, and that is, that the day return rates charged on British Railways are related to the bus rates charged by the operators in the respective areas?—Yes, I believe that is so, but I wonder if I could make another explanation on the table before we go on to that. It arises out of a query which was raised at the last Inquiry on the mileage to Leicester (London Road).

2823. This is line 25, is it?—Yes. At the last Inquiry Mr. Roberts drew attention to an inconsistency between a chargeable mileage and the mileage as I discovered it in Bradshaw. If the mileage of 28 is altered to 24, then the rate per mile is not 0·64 of a penny, but 0·75 of a penny. Apart from that, all the return fares and the calculations of rate per mile in column 6 remain unchanged since the last Inquiry.

2824. May I now ask you to turn to table LCC 301B?—You asked me a question about its being related to the bus fares.

2825. Yes—I beg your pardon—I was going to deal with that. It is on the First Day of this Hearing, at page 8, Question 25 to Sir Reginald Wilson, who answered: “The maximum fares are fixed of course, by passenger schemes approved by this Tribunal, but the effective fare tends to be controlled by the comparative bus fare on the route which happens to be running parallel with that particular stretch of railway.” A little later on he says: “The total revenue from such services is possibly on a tenth of the revenue from the road services in those urban and suburban areas. In other words, it is the road service which dominates the situation”. My impression from that is that the rate per mile shown by this travelling gives some idea of the rate which is charged for travelling on the buses.

2826. Yes. Now if we turn to table LCC 301B, that relates to day return tickets.

(President): That is on page 94.

2827. (Mr. MacLaren): Yes, Sir, the day return tickets from New Street, Birmingham. (*To the Witness*): First of all, if I may just ask you generally about the table, have these fares remained the same, have they risen, or have they fallen since the last Inquiry?—All have fallen except the two-miler, that is the 6d. Adderley Park and Winsor Green. But I am going on a little too fast because I want to draw attention to another error; this is only in the reference at the very top of column 3. The reference should be 77 and not D.70.

2828. (President): You mean that if we want to order additional copies of this leaflet, we had better have their reference numbers correctly?—Yes: I am sorry.

2829. (Mr. MacLaren): What you are saying is that all the fares in this table have been reduced since the last Inquiry, except the fare of two miles to Adderley Park and Winsor Green?—Yes. Perhaps it would be fair to mention there may be cases where the fares for all-day travel are a little higher than fares previously charged for travel after 9.30 a.m. Perhaps I should add, too, that the day return fares in this table are all available in the reverse direction, and are available between intermediate stations in either direction, and that passengers may alight at stations short of the destinations in either direction, or commence the return journey from an intermediate station.

2830. In fact these cheap day tickets are available just like ordinary returns?—Yes, they are unlimited, provided one gets back the same day.

2831. In column 1 we see at once there are some very important points on the railway route which are connected by these tickets. This table is expressed as from Birmingham (New Street); at line 33 there is Coventry, at line 38 Leamington and at line 42, Rugby.—Yes, what I think we can call inter-urban traffic, other than suburban traffic, to main line stations. You drew attention to line 33. The fare from Birmingham to Coventry is 3s. 0d., as against the authorised scale of 5s. 0d.; that is to say, if we were to compare that with the authorised scale in the table, which was referred to a moment ago,

the fare would be 5s. 8d. in that table, but the actual fare charged is only 3s. 0d. In turn, that compares with the day return in London existing of 5s. 0d. which it is proposed to increase to 5s. 2d. You mentioned Leamington; the fare there is 4s. 0d. compared with 8s. 2d. scale; 7s. 2d. existing in London, which is to go up to 7s. 4d. Now Rugby: here the authorised rate is 9s. 2d., the fare actually charged is 5s. 0d., as against the fare for a similar journey in London of 8s. 0d., which will go up to 8s. 2d.

2832. I do not think we need go into that detail with other places, but there are obviously other important towns, such as Wolverhampton and Stafford, for example, in the next column, and Nuneaton in the column after that, where there is of course an express main line traffic. Yes. You might like to note that the range for travel above two miles extends from 0·81d. to 1·20d. per mile for Birmingham, which compares with a range of from 0·75d. to 1·13d. per mile for Nottingham.

2833. I think in the next Table, LCC 302, you give the amount of the decreases in fares from Birmingham (New Street) since the last Inquiry—day return fares?—Yes. They comprise some, but not all, of the stations shown in the previous table, and of course include a number of stations which are not in 301B.

2834. At column 2 you have the day return fare as it existed in 1953, and in column 3 you have the day return fare as it exists today?—Yes.

2835. (President): We must make a similar correction at the foot of this table, must we not—from D.70 to D.77?—I am much obliged, Sir, for spotting that.

(President): We must be careful about the historian of the future, or the Tribunal of the future!

2836. (Mr. MacLaren (*to the Witness*)): The figures are there, so we need not discuss them or go down the list.—To take examples, there is Alvechurch Lane, No. 4, which has dropped from 3s. 0d. to 1s. 10d.; Coventry, which was 4s. 3d. is now down to 3s. 0d.—we referred to that a moment ago; Evesham, from 7s. 3d. down to 5s. 0d., and No. 23, King's Norton, where the 1s. 5d. is now 11d. In the second half of the table at line 8, Redditch, the fare has dropped from 3s. 6d. to 2s. 2d., and Tamworth (line 18), 4s. 0d. to 2s. 9d. Lastly, and perhaps the most impressive one, Wolverhampton, 3s. 0d. to 2s. 6d.

2837. Can we turn now to table LCC 303, and see what has happened at Manchester?—This table is in slightly different form from the other ones, because it represents the extension of facility rather than a reduction in fare.

2838. If I may just deal with that, you give your destinations in column 1, and then in column 2 you give the fare as it existed by the special cheap day fare available only after 9.30 a.m., or by any train after 9.30 a.m., in 1953?—Yes.

2839. In column 3 you give the fare now available on any train, any day?—Yes.

2840. Then you give the single mileage, and you give the rate per mile as it now exists?—Yes.

2841. Then, if I may deal with this broadly, that shows a comparison of the fares available only after 9.30 a.m. with the fares now available by any train, any day, which shows there have been increases in some of the fares?—Yes. A notable decrease is the one at Salford, line 10, which of course is a single miler.

2842. Which has fallen from 4d. to 3d.—to 1d. per mile?—Yes. The biggest increase appears to be 4d. return Macclesfield which has gone from 2s. 8d. to 3s., which brings it up to a rate of a penny a mile.

2843. Let me just deal with this broadly: In the first group, from Oxford Road to Altrincham, the fares have remained unchanged, have they not?—Yes.

2844. In the second group, fares have been reduced for the first mile and thereafter have increased from Farnworth onwards?—Yes, at a maximum of 2d.

2845. That is, at a distance of 9 miles single?—Yes.

(President): No, it is Clifton Junction onwards, is it not?

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2846. (*Mr. MacLaren*): I beg your pardon, Sir ; yes, Clifton Junction. (*To the Witness*): That is a distance of 5 miles, and on the next table the increase is at Heaton Chapel, again from 5 miles?—Yes.

(*President*): But one of them is not increased?

2847. (*Mr. MacLaren*): Yes, that is so. (*To the Witness*): The last table is pretty steady, is it not? There is an increase from 1s. 5d. to 1s. 7d., and 1s. 5d. to 5d., but otherwise they remain the same?—That is correct.

2848. The important column, for our purpose, is the last column, dealing with charge per mile?—We get a rate for Manchester for these day returns which ranges from 0·85d. to 1·33d.

2849. Except at one mile, where you get 1·55d.?—I should have said for mileages above one mile. If we compare the rates with 301A, 301B and 303, we find that generally they are about, or below, the existing early morning rates already charged in London, and of course fall below, I think at all stages, the proposed early morning rates. Day travel outside London is cheaper than early morning travel in London.

2850. (*President*): Is it cheaper than early morning travel outside London?—No, it is not cheaper than early morning travel outside London, but the effect of a cheap day ticket which is cheaper than early morning travel, would obviously entice the passenger to take a cheap day ticket and not an early morning ticket.

2851. (*Mr. Poole*): You have only a limited number of stations.—It will also be seen from the leaflets that the number of stations is practically unlimited.

2852. (*Mr. MacLaren*): Up to a range of about—About 20 to 30 miles. There are only some exceptional ones going beyond that.

2853. Just to complete the picture of the cheap fare facilities, I think you thought it right to put in Table LCC 304A, giving the cheap evening rate in London; that is on page 97 of the transcript, I understand. I think I may lead you about this: What you did was to take a Southern Region leaflet advertising the evening fares, and you put the destinations as they appeared on that leaflet in lines 1 to 28?—That is correct; but before Table LCC 304A is dealt with, I think I ought to explain something on the long-distance main line fares, for which I have not produced a table.

2854. (*President*): You must go through your proof; it will do no good to depart from it, I assure you.—If you please, Sir. On that I would like to refer to paragraph 12 of the Tribunal's Memorandum of last February on the Commission's policy with regard to main line fares, in which the Tribunal set out the Commission's views. I am sorry; it is not the Memorandum of this Tribunal at the last Inquiry, but the Memorandum dated February, 1954, which was submitted by the Tribunal as a Consultative Committee, to the Minister.

2855. (*Mr. MacLaren*): I think I can help on that, it is taken from *Hansard* of the 10th February, 1954, and you are talking about paragraph 12, which appears in column 1176; is that right?—Yes.

2856. I think paragraph 12 quotes the submission of the British Transport Commission, if I may begin reading in the second paragraph of paragraph 12: "The Commission's views on this question are set out in the following passage in their memorandum: 'A contribution from passengers will be required in the form of a reduction in the services provided to the public, where these are poorly patronised. It may also be commercially practicable to make selective increases in local fares, or to improve the net results of secondary lines by changing the form of operation and of motive power. But such measures cannot be expected, at least on the short term, to do more than balance the reductions which will doubtless be required in long distance main line fares to meet the competition from express coaches. Any general increase in long distance railway fares would, in present circumstances, do serious damage to precisely those traffics which railways find profitable'." Then I think at the end of the next paragraph the Consultative Committee express a view on this submission, where the Committee states: "We are, however, satisfied in the light of the evidence put before us during two inquiries into passenger

charges schemes, the second of which was concluded at the end of April last, that no general increase could be justified and that such additional revenue as might possibly be obtained by selective increases in particular fare categories would not make any appreciable contribution to the immediate necessities of British Railways". Those are the passages to which you wish to refer?—Yes, because that explains the Commission's policy and shows that it has in fact been accepted by the Tribunal.

2857. And I think you have information about decreases in long-distance fares which have already in fact taken place?—There are a number of fairly well-known examples on the North-Eastern Region of British Railways; there have been introduced cheap fares from many towns in the north-east available by time-tabled night express. The examples of the fares are as follows: From Newcastle, where the period return is 78s. 6d. and the present excursion fare is 56s. 3d., the new reduced fare is 42s. 6d.

2858. (*Mr. Harold Willis*): This is from Newcastle to where?—That is from Newcastle to London. From Tynemouth, where the period return is 80s. 10d. and the existing rate—that is just before these new fares were introduced—was 57s. 9d., the new reduced fare is 44s. 0d.; and from Darlington, with a period return of 68s. 0d., the present rate has been reduced from 48s. 9d. to 39s. 0d.

2859. (*Mr. Sewell*): Are these fares available by all trains?—No, Sir; they are available by specified trains. These particular ones are available on Fridays, returning on Saturdays. There are similar examples of period return tickets between other parts of the North-Eastern Region and between King's Cross and Hull, and numerous stations in the West Riding and the Teesside and Tyneside areas. To take Hull, for instance, the fare from Hull will now be 40s. 0d., compared with 55s. 0d., which were introduced last autumn and are now to be extended. More recently, reduced travel has been available to North Wales; in this case tickets would have to be booked in advance. Sample fares are to Prestatyn and Rhyl for 41s. 0d. return as against 60s. 0d. and 61s. 4d. respectively.

2860. (*President*): From where?—From London. The policy was confirmed in a letter from the Commission to the London County Council, which is dated 20th May; that letter is in the bundle which was handed in, at page 6.

2861. (*Mr. MacLaren*): I think it is at the end of the first bundle; it is dated 20th May.—It is at the bottom of page 6 in my copy.

2862. I have it in my bundle, which I believe reproduces the bundle which was handed to the Tribunal, as the enclosure to a letter dated the 20th May, 1954, right at the end of the first bundle. I beg your pardon; I thought the enclosure was the appropriate one, but I see that it is track costs.—This is the letter of the 20th May, headed: "New Period Returns introduced on the North-Eastern service and the results".

(*President*): I do not think we have that.

(*Mr. Harold Willis*): I think I can help, Sir; it is in Bundle 4, in the first bundle, and it is about half-way through that first bundle. If you can see where the timetables are put in, just following that is this letter.

(*Mr. Poole*): Is it the letter which is headed: "Draft British Transport Commission (Passenger) Charges Scheme, 1954"?

2863. (*Mr. MacLaren*): What I want to draw your attention to, Sir, starts: "Question 1", and then there is a table starting with Darlington and Stockton. What I want to read is: "Third class mid-week period fares at about single fare and one third for the return journey are in operation between the following towns in the North-East of England and South Lancashire"—and then the towns are given; it is between Darlington and Bolton; Stockton and Bury; Middlesbrough and Liverpool; West Hartlepool and Lancaster; Sunderland and Rochdale; Newcastle and Wigan. Then the letter goes on: "The tickets are available for travel on any Tuesday, Wednesday or Thursday, by ordinary train within a period of 15 days. During the six months ending 31st March, 1954, 3,789 passengers booked these tickets, the receipts amounting to just under £5,000: Though overall receipts have increased slightly, this experiment has disclosed no great untapped traffic potential. The minimum

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distance between any two of the towns mentioned is 95 miles (Darlington/Rochdale); it will be seen, therefore, that the London Area is not suited for a similar experiment. Similar facilities will shortly be introduced between the North-East and places in the West Riding of Yorkshire and the North Midlands, and between the North-East and London, by selected overnight services". (*To the Witness*): That is the paragraph that applies to the introduction of these fares. If I may pause now and ask you to summarise that, the broad picture presented by these tables is of an extension of cheap fares, is it not?—Yes, and facilities.

2864. As we know, there are no proposals contained in the Scheme to increase fares outside London. Now would you compare the expected yield on British Railways (passengers) outside London on BTC 401, after the Scheme, with the yield in "Z" year, before the Scheme, BTC 701? I do not know whether you have both the figures in front of you?—The figures are in BTC 401, "Y" year, after increases, line 2, £92·7m., and in BTC 701, "Z" year—that is to say, on the same Charges Scheme—again in line 2, "Other services", £92·3m., showing an increase in passenger receipts outside London of £1·6m.

2865. Does that suggest any downward trend in passenger traffic?—I think not.

2866. Just to complete this picture of cheap fares, may we look at LCC 304A, which is printed on page 97 of the transcript?—May I first of all draw attention, very regrettably, to two more arithmetical errors; one is in column 5b, line 24, Woolwich Dockyard. There the 1·20d should be 1·33d., and in the last column, column 7, on line 22, Welling, the 0·79d. should be 0·83d.

2867. (*President*): Is it really Falcon Wood, and not "Falconwood"?—It is all one word—"Falconwood"; there is no second "l".

2868. (*Mr. MacLaren*) (*to the Witness*): I was putting it to you that what you did in constructing this table was to take one of the Southern Region leaflets advertising cheap evening fares, and your lines 1 to 28 set out the destinations shown on that leaflet?—Yes, in the order shown on the leaflet.

2869. And on the availability of that ticket, I think it is common ground that it is available from those points to the central termini, in some cases Charing Cross, and in a few cases Victoria, and back again to the point of departure on the evenings on which it is available after about 4 o'clock or some time of that nature?—Yes—after 4 o'clock.

2870. There is no inter-availability or availability in the reverse direction, as we know?—There is no mention of it on the leaflet.

2871. Against those destinations you have on your table put the single mileage taken from the A.B.C. and the existing day returns, and the rate per mile, the existing cheap evening fare, and the rate per mile, and the proposed day return fare to those destinations and the rate per mile?—Yes.

2872. In the last column you have again taken, from your Nottingham table, the rate per mile for a train available any time any day?—Yes.

2873. If we may just look at the existing cheap fares columns, columns 5a and 5b, which give the rate per mile, and compare the rate per mile there with any train any day to Nottingham, we find that the day return fare outside London is consistently cheaper throughout the scale—I think I am right in saying that—at every distance, than the cheap evening fare; is that right?—Yes.

2874. The cheap evening fare does not get down to 1d. a mile until somewhere in the neighbourhood of 26 miles?—Yes. On this leaflet one has to get to Sevenoaks before one gets a concession as low as 1d. a mile, whereas at the same rates there is nothing above 1d. a mile from Nottingham.

2875. And I think, apart from the recent introduction of a cheap day return ticket on the London, Tilbury & Southend Line, that is the only cheap facility you know of in the London Area?—Yes; I think it is the only facility generally available to London passengers—within the selected stations, of course, from which they operate. They are from selected stations, not every station.

2876. (*President*): You get a rate of 1d. a mile, do you not, if you care to come from Gravesend Central, No. 11?—That is quite correct, but it does not fall below 1d. I hope I said that the fares did not fall below 1d.

2877. (*Mr. MacLaren*): It is my fault, in the way I put the question; the Witness gave a clear answer. (*To the Witness*): The Gravesend Central one is 24 miles?—Yes; that is 48 miles return at 4s. 0d., which is 1d. a mile.

2878. (*President*): If, being a resident of Sevenoaks, you want the comfortable feeling that you are being carried at less than 1d. a mile, you have to choose between two stations?—I do not know the geography, but at any rate you would have to wait until after 4 o'clock.

2879. If you went from the "Bat and Ball", which no doubt has other amenities, you get into the train suitably exhilarated, and you will have the added exhilaration of feeling: "I'm going to be carried at less than 1d. a mile".—Yes, Sir; you would feel really provincial.

2880. (*Mr. MacLaren*): We return now to Table LCC 309B, which is printed, on page 101 of the transcript. (*To the Witness*): I think this Table represents, does it not, the beginning of an enquiry into the relationship between the "Y" year and "Z" year estimates for ordinary fares on London Lines?—Yes. It compares the Commission's 1953 Scheme estimates of revenue with the 1954 Scheme of estimates at existing charges.

2881. May I just refer you now to the first three lines; in the first line are the day return fares which were estimated to yield at existing charges in 1953, £5,708,000; but the gross yield you have taken at £413,000. In "Z" year at existing charges they are estimated to yield £4,645,000, which I think is a drop, if my arithmetic is right, of £1,063,000?—It is £6,121,000, the difference being minus £1,476,000—in other words, a drop of nearly £1·4m.

2882. If we may turn now to line 2, there you show the ordinary fares, excluding the London, Tilbury & Southend Line; they were estimated in 1953 to yield £2,685,000, and there was in fact no increase in the charges?—Yes.

2883. It is estimated to yield in "Z" year £4,258,000, which is an increase of £1,573,000?—Yes.

2884. Line 3 is a Table which shows the increase over the gross yield for those tickets altogether of £97,000?—Yes, a net increase of £97,000, which involves a switch to the extent of about £1·4m. between ordinary fares and day return fares.

2885. That set you on enquiry; you wished to know why there had been this remarkable switch from ordinary fares to day return fares, as we are always assured that the ordinary scale is higher than the day return scale, and also the explanation of the increase in fares?—Yes. We sought an explanation, and we received a letter from the Commission dated 17th May, 1954.

(*Mr. MacLaren*): This, Sir, is in the first bundle; it is quite early in the first bundle.

(*President*): It is the long letter?

2886. (*Mr. MacLaren*): Yes, Sir, and I wish to refer to paragraph (A) on the first page. If I may read it, it says: "The reason for the change in the distribution of traffic as between 'Ordinary' and 'Day Return' col. (12) of Exhibit BTC 802 (Items 1 and 2) compared with col. (12) of Exhibit BTC 502 (Items 1 and 2). The comparison is between the 'Y' year and 'Z' year figures of passenger journeys in the categories Ordinary and Day Return, etc., namely", and then the table is set out showing the distribution of passenger journeys in "Y" year and "Z" year. Then the letter goes on: "The explanation lies in the transfer of passengers from travel at day return fares to travel at ordinary fares because of the initial 'cutting back' of the latter, particularly where they were sub-standard, by the limitation of increase imposed by the Minister in September, 1952". (*To the Witness*): If I may pause there, that sentence is showing that before the 1953 Scheme the limitation of increase, especially where fares were sub-standard, had the effect of making the ordinary fares the same as, or less than, the day return fares?—That seems to be the correct assumption.

2887. Then the letter goes on: "As a result many fares at the day return scale were inoperative because the comparable ordinary fare was at the same level or below it. This position was accentuated by the increase in the day

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return scale in 1953". It would seem to follow from that, would it not, that the effect of the 1953 increases was to put more day return fares at the same level, or more than ordinary fares an ordinary travel?—Yes.

2888. And the amount of that switch caused by the 1953 Scheme alone is quantified in this £11m. worth of traffic which transfers from the day return ticket to the ordinary ticket?—I think so.

2889. It follows from that explanation that the increases in fares authorised by the 1953 Scheme, so far as it affected day return tickets on London Lines, was not fully effective to the extent that the ordinary fare fell below the day return?—Yes.

2890. But in spite of that we find a net increase in traffic of 97·5 per cent?—Yes.

2891. That is over the gross estimated receipts?—Yes.

2892. Does that look to you like a declining trend?—Not to me.

(President): Very well; we will adjourn now, and resume at five minutes past 2.

(Adjourned for a short time.)

2893. (Mr. MacLaren): I was dealing, Mr. Karslake, with LCC 309B, and I had got as far as Line 3. I want now to pass to Line 4, London, Tilbury & Southend ordinary fares. The picture as disclosed by a comparison of the estimates set out there, the gross revenue for "Y" year including gross yield from the increases of the Scheme, is £1,370,000; the estimated yield for "Z" year before increases is £1,148,000, disclosing a reduction of £222,000.—Yes.

2894. If I may just pause for a moment, on the London, Tilbury & Southend line, the effect on the fares increases was (so far as we know) complete, there was no limitation?—That is as I understand it, yes.

2895. That led you to make inquiries about the apparent discrepancy?—Yes, because it had not been explained in the reply on the switch from day returns to ordinary fares in the letter of the 17th.

2896. As we now know, that explanation is contained in the table BTC 707, and is printed at Page 141 of the transcript. Now, Mr. Karslake, the exhibits put in shows first, in line 1, "Y" year, at then existing charges, to which is added the discounted yield of £60,000?—That is discounted yield nominally discounted from the £70,000 in LCC 309B to £60,000.

2897. Giving a total of £1,360,000?—Yes.

2898. Then we come to "Z" year at existing charges, and the difference between the two at line 4 is £310,000?—Yes. The £10,000 difference is the difference between the gross and discounted yields of BTC 510.

2899. If you please, Mr. Karslake; now we come to the explanation. Line (a) says "It has since been discovered that the "Y" year estimates and all earlier estimates erroneously included through bookings from the London, Tilbury & Southend line to points outside the London Area to the tune of £160,000".—I take it that it is a round figure, Mr. MacLaren, but it does represent an error of over 14 per cent in the calculation of the London, Tilbury & Southend revenue.

2900. Of course, the reduction of the "Y" year estimate at then existing charges by £160,000 involves the reduction in the estimated discounted yield which is quoted in Line (b) at £8,000?—Yes.

2901. Then we come to Line (c): "Since 'Y' year the introduction of evening excursion fares has diverted some traffic from the London, Tilbury & Southend Line Ordinary category to 'Day Return fares', estimated at £13,000".—I understand that there were no day return fares to stations in the Southend Area before 1953.

2902. Then the final line "In compiling the 'Z' year estimates, an arbitrary deduction was made from the 1953 ordinary fare receipts (adjusted to reflect a full year's operation at existing fares) to reflect a general declining trend of ordinary traffic on that part of the L.T. & S. Line which is comparable with London Transport railways", and there is a deduction of £24,000?—Yes.

2903. That deduction for trend is comparable, is it not, Mr. Karslake, with the deduction for trend on the London Transport Executive system as a whole?—Yes, I think so.

2904. That gives a total of £205,000, which leaves a difference between the reduction in value of traffic assumed for "Z" year at the top of that Line 4 of £212,000, a difference of £7,000. It is explained in the footnote: "When the above explanations are taken into account it will be seen that the increase in fares cannot be said to have resulted in a loss of receipts, as suggested by Mr. Lawrence in Question 900. In fact the above figures imply that all but £7,000 (£212,000—£205,000) of the discounted yield shown in BTC 510, adjusted as shown in (b) above, has been realised". The footnote implies, if I may use that term, that the discount was some £7,000 more than was estimated?—Yes.

(Mr. MacLaren): Now, Sir, at this stage, might I ask your leave, Sir, to put in a table which amends our Table 309B in the light of this further information? It has been handed round, and I think it will shorten the dealing with the matter.

(President): Yes, very well.

2905. (Mr. MacLaren): In order, Mr. Karslake, to amend your table, have you made the amendment throughout the table that in place of the column "gross yield" you have put "discounted yield"?—Yes; I think that was the easier way of fitting these corrections into the amended table.

2906. Now if I may take line 1, first of all in Column (2) there is no change. In Column (3), £375,000 the discounted yield is put in place of £413,000 and in Column (4) there is the total; then at Column (5), there is a change, from £4,645,000 to £4,623,000. What does that reflect?—That is the adjustment of £13,000 explained in BTC 707, Paragraph 4c.

2907. That is the £13,000 which is the estimated diversion of traffic from London, Tilbury & Southend Ordinary fares to day return fares?—Yes.

2908. Then in line 2 there is no change?—No.

2909. Line 3, of course, is totals, and reflects the change in line 1.—Yes.

2910. Then we come to line 4. In Column (2) we have £1,140,000 in place of £1,300,000.—That is the allowance for the £160,000 of receipts which were previously allocated to the London, Tilbury & Southend Lines which now appear to have to be allocated to lines outside the London Area.

2911. Column (2) is the reduced discounted yield?—Yes, it is the £70,000 nominally discounted to £60,000 in BTC 510, and then discounted by a further £8,000 according to Paragraph 4b of BTC 707.

2912. That gives us a total in Column (4), and then the figure in Column (5) is changed from £1,148,000 to £1,161,000. What does that reflect?—That reflects the BTC 810. Adjusted only for the £13,000 which is the diversion of traffic to day returns, Paragraph 4 (c) again.

2913. It is the £13,000 you have taken out of line 1 and have put in line 4 to keep the London, Tilbury & Southend picture separate from the rest?—Quite correct—to bring the same total of £10,051,000 in the total column, Column (5).

2914. The effect of that, in Column (6) is to give you at line 3 an increase above the discounted yield figure of £122,000 on London Lines, excluding London, Tilbury and Southend, and in Line 4 to give you a decrease of £31,000 on the London, Tilbury and Southend Line?—Yes.

2915. The explanation of that decrease in Line 4 by the Commission, as you know, is as to £24,000 trend and, as to the balance of £7,000, other causes, if I may put it generally, causes other than trend?—Yes.

2916. Have you anything to say about the figure in Line 3 being a plus and the figure in Line 4 being a minus?—It does suggest to me that in view of the fact that the fares increases of the 1953 Scheme were fully operative on the London, Tilbury and Southend Line compared with the fact that the 1953 increases were not fully operative on London Lines other than London, Tilbury and Southend, it seems to reflect the fact that the fares increases have been the material factor in reducing revenue on the London, Tilbury and Southend Line. And that where the increases have not been fully operative traffic has tended to increase.

2917. While we are on this subject, as a result of an inquiry from the London County Council, you were

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supplied, I think, with a reconciliation between 1953 and "Z" year which is in the second bundle of correspondence, the third page in my bundle. "The reconciliation between the actual figures for 1953 and the 'Z' year estimate." It is headed "Question 2." It is numbered Bundle 7, I understand, Sir: "In the reconciliation between 1953 and 'Z' year is an allowance for upward trend on the London Lines of £82,000"?—Yes, I see it.

2918. We now know that in that part of the London Lines described as London, Tilbury and Southend, there is an allowance for downward trend of £24,000?—Yes.

2919. Which gives us an allowance for upward trend on London Lines, excluding London, Tilbury and Southend, of the sum of those two figures, which I think is £106,000. These figures in Column (1) that we now have in the amended LCC 309B would be the figures that would have been appropriate (had these corrections then been known) in the "Y" Table for the 1953 Inquiry, would they not?—Yes, of course.

2920. I think this is the first of a number of amendments that have been elicited during this Inquiry with respect to "Y" year?—Yes, this is not the only one.

(Mr. Poole): Are you talking on Column (2), Mr. MacLaren?

2921. (Mr. MacLaren): Column (2); the figures in Column (2) are appropriate to the "Y" year estimate as put before the Tribunal at the last Inquiry. Now, Mr. Karlake, if I may leave that subject and go to the tables which you have produced, which support the tables put in by Mr. Hill on the question of ordinary fares and workmen's fares on the London Transport Executive services, I think the table which we should look at first and the table from which you began is table LCC 306. This table I think we may take very shortly, Mr. Karlake; it is the table of early morning journeys extracted from BTC 503 and 803. Is that right?—I think it is BTC 505 and 805.

2922. I beg your pardon; you are quite right, BTC 505 and 805. The BTC 505 figure being shown against each mileage, against the figure for 1953 and the BTC 805 figure being shown for each mileage against the figure for 1954?—Yes, immediately below it in each case.

2923. In Column (3) you show the fare before the "Y" year increase, and in (3) (b) the fare after the 1953 increase?—Yes.

2924. Then you have the London Transport railways. I want to call attention first to the Central Road Services. Mr. Hill has already done this, and we can take it very quickly. A glance at the comparisons between the 1953 and 1954 totals for early morning journeys throws into relief at once the quite extraordinary shift at each mileage between the "Y" year estimate and the "Z" year estimate.—Yes, you are suggesting there is a pattern in Column (4) which cannot quite be seen at Column (3).

2925. You are a little ahead of me.

(President): It is the first time!

2926. (Mr. MacLaren): Then column (4), there are return tickets, and there is no difficulty about early morning fares, the comparison between the fares at each mileage shows the kind of pattern that might be expected, does it not?—Yes, it does not surprise me.

2927. And at 5 miles in particular, if we may call attention to that, in 1953 on the Railways the 10,139,000 and the 1954 estimate is 10,085,000?—Yes, a slight decrease, as in all others.

2928. But on Central Road Services at the same mileage the 38,271,000 journeys for 1953 and in 1954 only 5,155,000?—Yes, at the 5-mile stage.

2929. What the table throws into relief at once is that all the journeys have been moved back from higher fares to lower fares?—Yes.

2930. That, of course, would have a very sharp effect on the estimated gross receipts from early morning fares in "Y" year, would it not?—I imagine it must do.

2931. There is a simpler though not so marked movement in the country buses?—Yes.

2932. Now I think that was what caused the London County Council to make the inquiry of the Commission as to what had happened, and they elicited the explanation (which Mr. Valentine ultimately gave in the box)

that the early morning tickets on the road services had been allocated on a new measurement?—Yes.

2933. And I think we were told by Mr. Valentine that the new measurement was more scientific?—Would you like me to read the letter?

2934. I do not think we need trouble.—That is as I understand the explanation.

2935. If you look at the 1954 figures only (the second figure in each case, in each line) what strikes you as remarkable about the pattern disclosed by the more scientific calculation?—It is the disclosure I made prematurely a few minutes ago of the remarkable diversions of the pattern at 5 miles.

2936. It is quite surprising to see the 5 miles suddenly jump to 5,000,000, and at 6 miles rise to 11,000,000.—It surprised me.

2937. And we know, of course, that that pattern is the result of an allocation and not of known facts?—Yes.

2938. Did you therefore carry out an exercise in the journeys which is shown in the LCC 310 tables. We may begin at LCC 310B, page 102 of the transcript. We find the fares scale before 1953 in column (1), the "Y" year passenger journeys at existing charges BTC 503; that is the ordinary journeys, is it not, at ordinary fares?—Yes. Perhaps we ought to explain at this stage to you that BTC 510D and E of LCC 310 are primarily working tables for LCC 310A.

2939. Yes, quite. I just wish to see what they do and to add at the factors of both. Column (2) is taken from BTC 503 and is the passenger journeys as allocated from passenger journeys at ordinary fares.—Yes.

2940. Column (3) is a calculation from BTC 505 of the passenger journeys against the various fare categories in that table.—Yes, they are mostly from BTC 505, except at the 3d. fare for 5 miles. That is taken by calculation from BTC 510C.

2941. You were there given a sum of money, were you not, in BTC 510C and you calculated back the journeys by the amount of fare?—Yes.

2942. You subtracted that number of journeys from the 3d. fare at ordinary rates shown in BTC 503.—Yes, the 901,000 odd. The figures are set out in the footnote and the necessity for that calculation was explained by Mr. Valentine at Question 861, on page 54 of the transcript.

2943. What have you done with the BTC 505 journeys in order to get column (3)?—They have all been halved, of course, to represent the return journey.

2944. As it is a simple halving, it shows two things, does it not? It shows the number of early morning tickets actually sold and it also shows the number of journeys backwards at the allocations to these different mileages?—Yes.

2945. So the total of that column of 160 million gives us the number of early morning journeys estimated in the "Y" year estimates in BTC 505?—Yes.

2946. We know that that was founded on account of early morning tickets?—Yes.

2947. If you pass to column (4), that is achieved, I believe, by simple addition of columns (2) and (3)?—Yes.

2948. That has the effect of throwing into the ordinary fare category the number of journeys travelled in the reverse direction by early morning travellers.—Yes.

2949. And should give us the number of tickets sold at those various mileages at ordinary fare rates?—Yes.

2950. Column (5) is the new fares to which the column 1 fares have moved, is it not?—Yes.

2951. You have then allocated the journeys as best you can as appears by the relationship between the lines in column (4) and column (6)?—Yes. For instance, the total of 1,521 million odd in column (6) is the total of 88,704,000 and the 1,432 million odd in column (4).

2952. I think you wish to call attention to the number of journeys travelled on a 1½d. ticket which would normally be a child's ticket for a 3d. journey before the 1953 Scheme, would it not?—Yes. The 1½d. child's ticket would have gone to 2d. when the 3d. fare went to 3½d.

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[Continued]

2953. I think we know that in the "Z" year estimates there are no 1½d. tickets shown for Central Road Services. That is so.

2954. So by that means these totals in column (6) have been arrived at as the appropriate journeys at the new fares after the 1953 Scheme?—Yes.

2955. On LCC 310 C, have you carried out the same exercise for "Z" year?—Yes, except of course the calculation for early morning returns is in this case simple, because we only need to take half of the figures in BTC 805 to represent the return journeys, and there is no need to make a calculation to deal with the confusion at the 3d. fare.

2956. Then the two columns are added, and you get column (4), the total ordinary journeys made at ordinary rates, where the person travelling may or may not be taking an early morning ticket?—Yes.

2957. If you compare column (3) on LCC 310 C with column (3) of LCC 310 B, you get a number of early morning journeys in "Y" year and "Z" year.—Yes.

2958. We find that the number of forward early morning journeys in "Y" year was 160,752,000 and the number of early morning journeys in "Z" year was 166,641,000, showing an increase of very nearly 2 million journeys.—Yes, my note is about 1·9 million, nearly 2 million journeys.

2959. Showing the number of early morning journeys on Central Road Services has increased.—It seems to be the logical conclusion.

2960. Which throws into relief the fact that the fall in the number of journeys is at ordinary fares?—Yes.

2961. I do not think I need take you through the working tables for the country buses. I think they appear at LCC 310 D and 310 E, but we can go straight away to the comparison of columns (3) in each case. Column (3) in 310 D totals 15,356,000 journeys and column (3) in LCC 310 E totals 16,354,000.—An increase of just over 1 million.

2962. Throwing into relief the same fact that so far as journeys are concerned the loss is entirely—

(President): Just under 1 million.—I am sorry; my mental arithmetic is weakening—just under 1 million.

2963. (Mr. MacLaren): Yes, but the increase in the number of journeys throws into relief the fact that the fall in the number of journeys is entirely at the ordinary fares.—That is the conclusion.

2964. Now if we come to the summary table, LCC 310A which brings the conclusions of these tables together, in column 1 we have the fares set out which are now in existence; is that right?—Yes.

2965. Column (2) is the column (4) of the tables for the "Y" year, is it not?—The column (6); column (2) in this table is column (6) in LCC 310B.

2966. Yes, column (6). Then, contrasted with that, there is the "Z" year journeys and then the difference.—Yes.

2967. So in column (4) we have the fluctuations in journeys thrown up by a comparison of the tables BTC 503 and BTC 505.—Yes.

2968. Of course it shows that there has been a fall in the 1d. journey which presumably is 1d. child for a 2d. journey.—Yes.

2969. It is not a very great fall, but it is a fall. On the 2d. journey, that includes the movement from 1½d. to 2d. as we know; it was some 88 million journeys at 1½d., was it not?—Yes.

2970. On that movement there is a very heavy drop of 25 million, nearly 26 million, journeys.—Yes. That will of course include the child's drop equivalent to the 3d. to the 3½d. increase in the adult fare.

2971. At 2½d., which presumably is largely the child's ticket for the 5d. fare, corresponding to the 5d. fare itself, there is an increase of 4 million.—Yes.

2972. Then we have a new ticket at 3d. I think you inquired about that?—Yes.

2973. I think I may put the answer to you; the answer was that the 3d. ticket was used exclusively on the Central Road Services double ticketing?—Yes.

2974. Being used in conjunction with the 3½d. fare at 6½d. and in conjunction with other tickets of 1s. 1d. and over?—Yes.

2975. I think I am right.—The figure in columns (3) and (4)—the column (4) line 3 against the 3d. fares—should be the same as that in column (3); that is 3,314,400, not 3,312,400.

2976. (Mr. Harold Willis): Does that affect the addition to that column?—No, the addition is quite in order.

2977. (Mr. MacLaren): Then, of course, there is the important change at 3d. to 3½d. where the drop in journeys is very large indeed at 68,496,000.—Nearly 68½ million.

2978. I do not think you have an explanation of the 4d. fare; you are not quite sure what it is?—No, it is an insignificant drop in any case.

2979. The 5d. fare as we all know remained stationary. It was not moved. Then there is an increase of journeys of 19,675,000?—Yes.

2980. Then there is a 6d. ticket which comes into existence in the "Z" year Scheme which presumably is a child's again, 167,000. At 7d. that was the fare that moved from 6d. to 7d.; again there is a very heavy drop of about 10 per cent, 14,869,000 journeys.—Yes.

2981. Again at 8d. to 8½d. where there was an increase, there is another proportionately heavy drop, just under 10 per cent, of 6,322,000 journeys.—Yes.

2982. I think when you begin to get above that mark the journeys are affected by double ticketing.—Yes, they must be; they must be related to the 3d. tickets which do not represent journeys.

2983. Have you any comments to make about the points which the drops in journey appear to have taken place?

—It does seem significant to me that there is an overall drop of nearly 9½ million journeys, but it is not a consistent drop throughout the table. The drops are at significant points. The biggest drop which you have already mentioned is the drop when the fare went from 3d. to 3½d.; the second significant point to me is the 25½ million drop on the 2d., which of course, as I have said, included the child's 1½d. going to 2d. which at least, I think, refutes Mr. Valentine's suggestion that there would be a drop-back from 3½d. to 2d. The third significant point, of course, is in the 7d. and 8½d. fare where the 6d. went to 7d., the 8d. went to 8½d. and as in the 2½d. scale, created a 1½d. gap in the fares structure. Then—perhaps it is not worth mentioning—the drops in the higher scales are compensated for by the increase of nearly 3½ million on the 3d. fare which, as I said, does not represent a journey. I think these drops in traffic indicate a marked consumer resistance to a 1½d. gap in the fares scale.

2984. They have come at all the points where those gaps exist.—Yes.

2985. There are one or two minor points which I wish to put to you at this stage. London County Council is asking again, I think for the third time in succession, for the reconsideration of the limit on children's fares which is placed, as we know, at 14 years.—Yes.

2986. The London County Council is asking again that consideration should be given to increasing that limit to 15?—Yes.

2987. Will you tell the Tribunal what you wish to say about that?—The school leaving age was raised in April, 1947, from 14 years to 15 years under the Education Act of 1944. At that time of course, in 1947, the age limit for children's travel corresponded with the school leaving age. There seems to be no reason why the age limit for children's travel should not be brought into line with the school leaving age. Whatever reasons there may have been for carrying a child at half fare up to 14 years before 1947, they must surely now exist for a child up to 15 years. The cost of so doing was estimated by Mr. Valentine at being between £100,000 and £1m. in Question 1183 of this Inquiry, the 4th Day, page 79.

2988. (Mr. Poole): Can you tell me, Mr. Karslake, what in your view is the relationship between the school leaving age and the half price fare? When I was a child I was carried at half fare under 14 and that was something like 50 or 60 years ago; it remained so ever since, so far as I know. I cannot quite see where the relationship is between that 14 years of age and the school leaving age; it might go up to 18.—I think during

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all that period, 14 years was the school leaving age, and I think it must be tied up with the basis that up to that age a child was a liability on his parents; and, not being a wage earning possibility, he was entitled to be regarded as a child up to that age. Now in conditions of modern society, and modern educational liability, he is still a child to 15 years instead of 14.

(*Mr. Harold Willis*): And a good deal higher.

2989. (*Mr. MacLaren*): We are not dealing with mental retardation now.—I hope not.

2990. I think in Question 1183, 4th Day, Mr. Valentine said that the loss by extending the age from 14 to 15 might be anything between £0 1m. and a £2m.—Yes.

(*President*): That is what he said just now.

2991. (*Mr. MacLaren*): I am sorry. I think Mr. Valentine went on to say that that was not taking into account any family travel which might result from the introduction of that extended facility.—By that I think he meant that if parents could take their children out and get their concession for the extra year, they might be encouraged in what we call optional travel.

2992. (*President*): You mean if the child could travel for 2d. they would make a journey for 4d. which they would not otherwise make?—It may apply only where the family is a large one, although presumably one could not have a large family with all the children between 14 and 15 years of age!

(*Mr. MacLaren*): Now may I turn to the question of special fares for apprentices.

(*President*): Can you extract any further reason for linking the child's fare with the school leaving age, Mr. MacLaren? At the moment I do not understand why they should be linked.

2993. (*Mr. MacLaren*): I do not know whether Mr. Karslake wishes to say anything further on that.—Quite frankly, I thought it was a matter of argument rather than evidence.

(*President*): As far as school journeys are concerned, it does not matter of course, does it? Journeys to and from school are covered by the wider concession.

2994. (*Mr. MacLaren*): Does that wider concession extend to the road services?—I think so.

2995. Let us leave it there and move on to apprentices where the concession fare is allowed between 16 and 18 years to persons earning up to 25s. a week. The London County Council was asking—

(*President*): This was not put to Mr. Valentine, was it?

(*Mr. Harold Willis*): No.

(*President*): However, let us have a few questions about it.

2996. (*Mr. MacLaren*): To put it quite briefly, I think the London County Council is asking that that 25s. should be raised not to 52s. as put in, but to 42s. 6d. —That was the figure recently put by the London County Council to the British Transport Commission in making this request.

2997. What is the foundation of that figure of 42s. 6d.? —I think the Council feels that the present limitation of 25s. is too low a limit for qualification for the educational season tickets, and that a figure of 42s. 6d. is more in keeping with current wage and price levels.

(*President*): It is higher than the present figure; that is what it comes to; there is no particular reason for 42s. 6d.?

(*Mr. MacLaren*): There is, Sir.

(*President*): Then put it to him.

2998. (*Mr. MacLaren*): Mr. Karslake, is the 42s. 6d. not the sum that has been chosen by the appropriate Government Department for the calculation of children's allowances?—Yes. I have been handed a note on this which I should have had with me before. It reads: "By virtue of a decision taken in 1951 by the Family Allowances Referees under Section 5, subsection 2, of the Family Allowances Act, 1946, parents may continue to claim child allowances for a child over 15 years of age up to the 31st July following the child's sixteenth birthday if he or she is an apprentice earning not more than

42s. 6d. per week". I hope you will forgive me for reading that note.

(*President*): I will forgive you for reading anything, Mr. Karslake. We are very free and easy here.

(*Mr. Poole*): Is that an amendment, Mr. Karslake, to the 52s.?

(*Mr. MacLaren*): To the figure in the Objection of 52s.

2999. (*President*): Have you in your mind or have you a note which gives any indication of what the financial change of such a result would be?—No.

3000. Every now and then one's mind passes to the effect that a change would mean in terms of money.—No, Sir, I have not done so.

3001. (*Mr. MacLaren*): I do not think you would be in a position to make that measurement?—No, I think not.

3002. I think that other discrepancies in the "Y" year estimates that were made evident by a comparison with the "Z" year estimates led you to make some inquiries besides those which you have already mentioned, and in particular with regard to season tickets, London lines, as shown in the "Y" year estimates.—There is an admission that the season ticket travel on London lines which is now estimated at £400,000 more than it was expected for "Y" year is due to the failure to appreciate the extent to which travellers would buy a yearly season.

(*Mr. MacLaren*): I wonder if my friend has copies of the letter of 28th May, 1954, dealing with London lines, British Railways? I do not think it is in your bundle, Sir.

(*Mr. Harold Willis*): No, I think this is a later thing still.

(*Mr. MacLaren*): Yes, it was very late.

(*Mr. Harold Willis*): 28th May?

(*Mr. MacLaren*): Yes, headed "Transport Tribunal Application".

(*President*): We shall have to have some system at some future Inquiry where there is only one bite at a cherry.

(*Mr. Harold Willis*): I think so.

(*Mr. MacLaren*): One bite of a cherry in Inquiries of this nature would require considerable time. The fact for this information was made quite early. The fact that the reply came late was probably due to—

(*President*): It was a separate bite.

(*Mr. MacLaren*): There are many bites.

(*President*): The question of procedure is very much on my mind, as to how we can get some form of procedure which will enable one at some moment to have all the bits of paper, which are considerable.

(*Mr. MacLaren*): I very much regret it is not before you.

(*Mr. Harold Willis*): This is a case where the letter asking for it never reached us.

(*Mr. MacLaren*): The letter requesting this and other information went astray. My friend is quite right. "The 'Y' year estimate of receipts was £7-608m. plus an estimated increase of £0-3m.; the estimate for 'Z' year is £8-5m. Increases under the 1952 Scheme came into effect in the London Area on 2nd March, 1952, and in estimating the 'Y' year figures the period March to August, 1952, was used for the purpose of projection. One of the 'imponderables' was the extent to which people who normally booked short-term season tickets actually seized the opportunity of booking for long periods during January and February. Whilst this early booking was recognised as a possibility, it was not expected to be extensive and no allowance was made for it. In fact, considerably more people did take out long period tickets before the increase became effective and, as a result, the 'Y' figures were underestimated by some £400,000. A further factor was that in compiling the 'Y' year estimates it was assumed that the loss of traffic would be spread over all distances; in fact, the losses arose mainly on the shorter distances, with the result that although there was a slight decrease in journeys the loss of money was not so great as was anticipated."

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[Continued]

(*Mr. Harold Willis*): The rest of the letter deals with other things.

3003. (*Mr. MacLaren*): Yes. Now the effect of that explanation, Mr. Karslake, is that the "Y" year estimate for the yield from season tickets is £0.4m. less than it should have been if it had been correctly estimated at that time, so far as London Lines was concerned.—Yes.

3004. Of course there would be the yield upon that £0.4m. which, so far as we can estimate, is something in the neighbourhood of £116,000.—Based on the 1953 increases?

3005. (*Mr. MacLaren*): Yes. Is that right, or is that too much? Is it £16,000?—That is in proportion to the figures which are shown on BTC 510 H, the proportion of £0.4m.

3006. I think it is £400,000 and £16,000, is it not?—Yes, that is right.

(*Mr. Poole*): I still do not quite understand that.

(*Mr. MacLaren*): If we look at London Lines, season tickets, Appendix H of BTC 510, we can see the effect of this alteration on the figure. The figure shown in column 1 of Appendix H is £7,608,000, which it is now said should have been higher by about £0.4m.—that is, it should have been about £8m.; there is a very small increase on the gross yield. When we come to the miscellaneous receipts for London Lines, we find that there has been a re-calculation—this is shown, Sir, in the document in the first bundle of correspondence before you.

(*President*): This is the Forces' Travel point, is it?

(*Mr. MacLaren*): Yes, that is so.

(*The Witness*): It is the letter of the 25th May.

(*Mr. MacLaren*): Yes, and the document appended to that letter; but perhaps I had better read the letter first.

(*Mr. Harold Willis*): It is in bundle 1, Sir.

(*President*): We have found the table: do you want to read the letter?

3007. (*Mr. MacLaren*): The covering letter does state what the nature of the change is, Sir: "Statement 'E' attached is the split of the item referred to as 'other descriptions' in BTC 802 and 502. The explanation of the difference between receipts in this item for London Lines in BTC 802 and BTC 502 in the light of the small variation in journeys is that warrant traffic was priced in BTC 502 at the average fare for this traffic for the whole country. It was felt that this price was inappropriate and in BTC 802 the receipts from this traffic have been assessed at a reduced average fare, appropriate to the shorter journeys travelled within the London Area". On Sheet 8, we see under the heading of "British Railways, London Lines" the first line "Warrants" which shows this re-calculation and in BTC 802 the amount allowed for warrants is £28,000; in BTC 502 the amount allowed for warrants is £285,000, which is a difference of something over £250,000 on that one item?—Yes—a shift of about £4m. in respect of the allocation of that type of traffic.

3008. And that item more than explains the drop in miscellaneous receipts between the "Y" year estimates and the "Z" year estimates; is that right?—Yes.

3009. So that table BTC 510 itself would stand to be amended under this heading of "Miscellaneous Receipts" by £4m. in round figures so far as London Lines is concerned—that is to say, on table BTC 510 at line 47?—Yes.

3010. The figure for Miscellaneous Receipts is shown there as £592,000; if this re-calculation is applied, £250,000 or thereabouts has to come off that figure?—Yes.

3011. We have already dealt with the ordinary receipts from London Lines, and we have already dealt with the ordinary receipts on the Central Road Services and the early morning fares on Central Road Services and country buses. There again we have found that the "Y" year estimates would stand to be altered in the light of explanations which have been given at this Inquiry, have we not?—Yes, with the re-calculation of the early morning journeys.

3012. If we just compare BTC 510 with BTC 810, I think that would make the position clear. We have already dealt with the ordinary fares in BTC 510, and

we find the result of the re-calculation is shown in LCC 309B amended, and it is reduced by the reduction of the London, Tilbury & Southend Line by £160,000, to £9,533,000.—I am sorry; I did not quite follow that.

3013. LCC 309B, column 2 amended, £9,533,000, which goes in place of the £9,696,000.—In BTC 510, yes.

3014. And which is comparable with the "Z" year estimate of just over £10m.?—Yes.

3015. The comparison between the ordinary fares and early morning fares has been stated in Mr. Hill's tables, so I need not worry about that. The comparison with miscellaneous traffic is that £592,000 is to be reduced by £250,000 reducing it to £342,000, comparable with £363,000?—Yes, showing a slight increase on "Miscellaneous".

3016. If these amendments are carried through, the fact that is thrown into strong relief is that the apparent yield of the Scheme, when we compare the estimated yield for the 1953 Scheme, an allowance has to be made for £3m. for season tickets in one direction, and a £1m. for Miscellaneous Receipts in the other?—Yes.

3017. That is, when we compare "Y" year with "Z" year. We also have to take into account the upward trend allowed on London Lines, excluding London, Tilbury and Southend, of £106,000, and the downward trend on London, Tilbury and Southend of £24,000. Then there is, on the London Transport Executive, the figure of £0.667, the general downward trend put into the "Z" year figures for the London Transport Executive as a whole?—I have not all those figures before me, but they sound to me to be of the right order.

3018. That means that, as a result of this Inquiry, we have been able to call attention to a number of points in the previous Inquiry showing that the "Y" year estimates were, in quite substantial figures, either mistaken or calculated on a different basis—on the basis now proposed?—That conclusion is unavoidable.

3019. Now I think you wish to conclude by making certain general observations on behalf of your Council. I think you wish first of all to say something about the view your Department has formed on the question of trend on London Transport Executive, which is carried through into the "Z" year figures.

(*President*): Are you drawing a distinction as between this Witness's Department and your Clients, Mr. MacLaren?

(*Mr. MacLaren*): No, Sir.

(*President*): You mean the Council?

(*Mr. MacLaren*): If you please, Sir.

(*The Witness*): I feel it would be more correct to say that they were my own observations and the observations of my colleagues in the Department, because those observations have not been conveyed directly to the Council.

(*Mr. MacLaren*): That is why I made the distinction.

(*President*): That is why I wanted to know whether there was a distinction being made.

3020. (*Mr. MacLaren (to the Witness)*): Would you state the view that you have formed on the question of trend?—It would appear that the downward trend on the Commission's own tables and evidence is confined to the London Transport Executive services and the London, Tilbury and Southend lines of London Lines, and that there is not a downward trend on the London Lines other than London, Tilbury and Southend.

3021. Or on British Railways, passenger services, so far as we can ascertain?—Yes.

3022. (*President*): I thought that appeared sufficiently in the Memorandum, and that it had already been stated and accepted as a matter of unanimity.—Yes, Sir, but arising from that, it seems to me that if trend exists, it is a downward trend on ordinary travel, because seasons and early mornings have shown themselves to be steady; and it seems to me, further, that within ordinary travel the losses are mainly at the crucial points in the fare scale where increases were made at the last Inquiry and where a 1d. gap has been created.

3023. (*Mr. MacLaren*): Yes, and in view of that, have you anything to say about the allowances made for loss of traffic in "Z" year? I think you have prepared a

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table on which Mr. Hill in fact gave similar evidence, but it is conveniently set out in LCC 305, which is at page 99 of the transcript, which lists the discounted yield and the effect on the discounts.—Yes. In table LCC 305 I have taken out the gross and discounted yields for the 1953 and for the 1954 Schemes respectively. The total discounts allowed in this present application is 26·1 per cent., as you will see in line 13, as against 10·4 per cent. in the 1953 Scheme, and of that total of £1,875,438—I should say, of the increase, or the difference between the two columns—I beg your pardon; I am getting confused by the astronomical figures—

3024. (President): Are you trying to read out the note to the table?—Yes, Sir.

3025. Then read it.—That is over half, which is nearly £1m., is a discouragement to traffic by increasing the 3d. fare to 4d. These losses are the losses which are expected and which are estimated by the Commission. They seem to me, therefore, the Commission's own admission of the extent to which the increased fares are going to discourage traffic.

3026. (Mr. MacLaren): Have you formed a view as to the quantum of discounts at the crucial fares of 3d., to 4d., and 5d., to 6d.—the discounts allowed in the 810 tables for "Z" year?—Are you questioning me on BTC 810?

3027. If I may express it quite simply, you know the discounts which are allowed on the crucial fares in the BTC tables for "Z" year—the 810 Appendices; that is the increase from 3d. to 4d., and from 5d. to 6d. on the ordinary fares. Have you formed a view as to whether those discounts are sufficient, in the circumstances disclosed by this Inquiry?—It is very difficult for me to form an opinion as to the discounts in BTC 810, but I should think, in the light of the figures thrown up in the LCC 310 tables, that the discounts are probably insufficient at the crucial stages—that is, at the 1d. gaps.

3028. You mean by making the 1d. gaps into 2d. gaps on this occasion?—Yes, in this particular case.

3029. (President): That would mean, in your view, that the increases proposed, if approved, will produce less revenue than it is hoped they will produce?—Not necessarily, because I do not think the discounts at all points will be on the same scale; I certainly think there would be a discouragement at the 3d. to 4d. stage.

3030. You think they may be excessive on other fare categories then?—I would rather turn my attention to the estimates for "Y" year, because we can see what happened between the "Y" year and the "Z" year estimates. I would rather do that than turn myself into a prophet on matters about which the Commission know more than I do, but it does seem that estimates for "Y" year have been small on particular items, and I think if the discounts had been accurate at the crucial points, the evidence of trend would not have appeared. In other words, the falling receipts, where they appear, are attributable not to trend but to inaccurate discounting, and I think, to some extent, my opinion on that point is supported by the Commissions heavier discounting in the "Z" year estimates.

3031. (Mr. MacLaren): In fact at 3d. to 4d. they have allowed as discount almost precisely the same, as would appear from the tables put in by the London County Council—it would appear to be a loss from 3d. to 3d.?—Yes, the figures approximate.

3032. They are approximately the same. Now I think you wish to say just a few words about the Council's view

—and I think I am correct in saying "the Council's view" —about the level of fares inside London and outside London.—Again, I would prefer to summarise my own views of the differences which are apparent from this Scheme, and which seem to me to be all to the disadvantage of London. My conclusion is, on ordinary travel, that inside London day returns are at scale rates which represent up to about double the rate per mile for day return tickets generally available in the Provinces. Secondly, on concession fares, there is very little alternative travel at scale rates.

3033. In the London Area?—Yes, except for the evening tickets which are, of course, from selected stations only and available only after 4 or 5 o'clock. Outside London cheap facilities are available, in an almost unlimited form, for almost any journey where a return can be made, or can be started on the same day. Thirdly, on early mornings, these are generally effectively higher in London than outside at the moment since the London early morning fares are at a higher rate than the cheap day return fares outside London; and the point was made this morning that the outside London passenger will therefore travel on a cheap day return more cheaply than at an early morning fare. Fourthly and finally, on season tickets, the position almost approximates here, so far as I can see, because the same scales do apply to both London and outside; but of course there are sub-standards. I just do not know to what extent sub-standards affect journeys outside London, but they are of course virtually eliminated in London.

Those, Sir, are the conclusions I have come to on existing travel before the Draft Scheme—before the 1954 Scheme.

3034. I think we can put it very shortly that the proposals in this Scheme will accentuate the position?—Yes, since I think, that consumer resistance is already marked at the 1d. gaps, it seems to me inevitable that it will be more marked at the 2d. gaps in the fare scale.

3035. As we all know, of course, the season tickets and early morning travel rates, if the proposals go through, will be officially higher in London than outside?—Yes; already the discrimination in London, between London and the Provinces, which obviously exists in practice and which is fundamental to the present Application, will be applied in more detail by the Scheme, particularly in respect of seasons and early mornings, where the maximum rates will be increased. But it will also be applied because where the maximum rates remain the same it is already the policy of the Commission to regard those maxima as actually in London, but to keep them largely inoperative outside London.

(Mr. MacLaren): There is one point I should like to mention before my learned friend cross-examines; I think we can deal with this quite shortly. There were a number of unhappy errors in these tables, as you know, and I must apologise for them, but they were due to the fact that they were ultimately produced at tremendous speed, and by accident were allowed to go through unchecked from the duplicator; and there is one table which ought not to have gone in at all.

(President): That is delightful news!

(Mr. MacLaren): That is table LCC 308, and I formally withdraw that entirely; I hope nobody will try to do the arithmetic because that would be a complete waste of time—the two halves of the table are calculated on quite different bases.

Cross-examined by Mr. HAROLD WILLIS.

3036. As I understand it, you are here as the mouthpiece of the London County Council in the witness chair?—I think that is one way of putting it, but it does remind me of wartime Italian practice, when we saw in the papers every day that So-and-so—I have forgotten the name—was the mouthpiece of Mussolini.

3037. If the London County Council likes to assume the role of Mussolini, very well; but would you be content to accept that?—That is the invitation we wanted to avoid.

3038. But are you authorised to express views on policy on behalf of the London County Council?—It entirely depends upon what you mean by "policy"; but

my examination of the application of the Commission's policy is one on which I feel I am at liberty to express views.

3039. Your evidence has fallen into two parts; the larger part of it is purely statistical. You have taken a great deal of trouble to put figures in and to produce tables—that is statistical?—Yes.

3040. You have at the end of your evidence been dealing with matters of policy.—Conclusions based upon statistics.

3041. Are you authorised to put forward those conclusions on behalf of the London County Council?—I see no reason why not.

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Mr. HARRY HOWARD KARSLAKE

[Continued]

3042. That is not an answer to the question. Are you authorised to express, on behalf of the London County Council, their views on a matter of policy?

(*Mr. Geoffrey Lawrence*): Now, Mr. Willis—

(*Mr. Harold Willis*): Let him answer.

(*Mr. Geoffrey Lawrence*): Forgive me, Sir. Mr. Karslake is not put forward as what is commonly called a policy witness. He is not a member of the Council; he is a salaried official and head of the Rating and Statistical Department. He gives evidence in that capacity as an official of the Council; I am responsible for any matters of policy with regard to the Council, and if necessary I shall, in part of my address to you, deal with such points as are relevant there.

(*President*): I think the Witness has made it plain that in so far as he expressed opinions, he was careful to say—at any rate, in the latter part of his evidence—that he was speaking his own mind.

(*Mr. Harold Willis*): I follow that up to a point, Sir, but towards the end of his evidence he did say—and I took this down very carefully: "The discrimination which exists to-day at between London and the Provinces will be accentuated after this Scheme." There is a question of policy underlying that, and if that is the view which Mr. Karslake is authorised to express, I should like to ask a few questions about it.

(*Mr. Geoffrey Lawrence*): With the greatest possible respect, that is not a policy matter at all; it is a pure question of fact as to whether there is or is not any existing discrimination, and if there is, whether the present Scheme will tend to accentuate it. That is not policy; it is entirely factual.

(*President*): I did not understand, and I do not think the transcript will show, that Mr. Karslake was purporting in that part of his evidence to speak here with the voice of the Council, whether it be described as a question of policy or as a question of opinion.

3043. (*Mr. Harold Willis*): If Mr. Karslake does not desire to give any opinions on matters of policy, be it so. (*To the Witness*): Is that the rôle which you wish to take?—With every respect, I think you are confusing policy questions on which the Council itself would expect to be consulted and make their own decision, and questions of the manifestation of the Commission's policy in relation to fares.

3044. Let me ask you this question, just to try and resolve the matter: Are you authorised on behalf of the London County Council to suggest to the Tribunal that these cheap fares, such as are set out in the 300 series, should be applied in London?—No, I do not think I have suggested that these policies should be applied in London in such detail as that.

3045. Or that they should be applied at all?—I think the position is that having analysed the Commission's Exhibits and having tried to find what the Commission's fares policy is, instead of finding that they have not a policy at all, as I expected at first, I find that they have two policies, one for London and one for outside, and I am quite prepared to be examined on what I think to be the difference between the two policies.

3046. On the face of the documents we can make certain conclusions about which I do not want to ask you questions; but if you are seeking in your evidence to suggest to the Tribunal that they ought to apply to London some of the fare structures which have been introduced outside London, I should desire to ask you questions on that; but perhaps you are not asking the Tribunal to do that?—No, I do not think I am expected to suggest alternative Charges Schemes—I do not think the Council have considered that—or of making a Charges Scheme of their own.

3047. Not a Charges Scheme—but let us conclude it in this way on this matter: You are not, as I understand it, authorised to express any views of policy on behalf of the London County Council?—That is correct in the sense that Mr. Geoffrey Lawrence has explained.

(*President*): Surely the proper place in which to find the policy of the Council is by examination of their Objection, and so far as the cheaper fares are concerned, the first of the variations they propose is that the Scheme should provide for cheap off-peak facilities throughout the London Area.

(*Mr. Harold Willis*): I agree, but if a witness is called who says: "On behalf of the London County Council I think that is right", then, of course, it is only proper that he should be asked questions about it. If he is not expressing any views one way or the other about it, I am perfectly content, and do not want to pursue it.

(*President*): You are entitled to ask what cheap off-peak fares in the London Area the Scheme should provide, and he is entitled to say that he does not know, or that he is not authorised to speak; then, when you come to make your submission, you will be entitled to say that no evidence was given in respect of that head of objection.

3048. (*Mr. Harold Willis*): Then I will adopt that, if I may, Sir, as my next question. (*To the Witness*): Did you hear the learned President's suggestion?—I would equally like to adopt the President's reply, and say that I am not authorised to do so.

3049. You are not authorised to amplify that objection?—That is the answer I have given.

3050. Have the London County Council considered the financial implications of that objection if it were accepted?—I think the financial implications would require a very different approach from the one which is given in the BTC Exhibits. It is one thing to say that we think the Scheme which is put up is a bad one because it introduces 2d, gaps, and therefore will fail to raise revenue; it is a very different thing to say that we are going to put forward concrete proposals which, instead of putting the 3d, up to 4d, will put it up to 5d. and treble the yield. That is a consideration which has not been put to the Council, I think.

3051. The question I asked you was a very simple one; it was whether the County Council had considered the financial implications on London Transport and London Lines, of adopting the objection which has been referred to?—The objection in general, or that specific item?

3052. That particular one which we are considering at this moment.—That if the Scheme were not adopted there would not be an increase in revenue?

3053. No—that the Scheme makes no provision for these cheap fares.

(*President (to the Witness)*): You see, Mr. Karslake, in a formal document which the Council have put in ends by stating a number of matters in respect of which the London County Council thinks that the Charges Scheme as lodged should be varied; you follow that?—Yes, Sir.

3054. And the first of the variations which the County Council suggest formally, as the Council, is that the Scheme should provide for cheap off-peak facilities throughout the London Area. What I want to know—and it may be that this is what Mr. Willis also wants to know—is whether you are prepared to give any details of the sort of cheap off-peak facilities which should be provided throughout the London Area. If you are not prepared to give such details, then we need not bother with you any more on that point.—Thank you, Sir; I am not prepared to mention any specific methods by which off-peak fares could be introduced.

3055. (*Mr. Harold Willis (to the Witness)*): May I ask you this in regard to the second of these objections: it says: "The level of fares in fact in operation in the London Area should be reduced to those in fact in operation throughout the country for similar journeys"—and this is suggested as a variation in the Order to the Order applied for. Can you suggest what provision in the Scheme should be made to give effect to that?—I am unable to suggest a precise wording, but we have seen from our examination of the documents that the level of fares in London for day returns is approximately double that outside London, and accordingly there seems to be a case for reducing London fares to those fares, where we should hope for the resultant increase in prosperity which we see from a comparison of BTC 401 with BTC 701.

3056. If your documents have done nothing else, so far as I am concerned, they have revealed in the 300 series very great disparities in the cost per mile of these outside London cheap fares?—Yes—between 0·75d. and 1·33d. per mile.

3057. But you are asking that the alterations—

(*President*): The County Council is asking, Mr. Willis.

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[Continued]

3058. (*Mr. Harold Willis*): Yes, Sir. (*To the Witness*): The County Council is asking that the alterations should be made in the Scheme to make the level of fares in London similar to these fluctuating fares outside?—Oh, yes.

3059. How do you suggest that should be done?—I do not know whether it is for me to suggest how that should be done; where you have a level of fares which is obviously double another level of fares—

3060. But do you adopt the level of fares in Manchester, Liverpool or between Birmingham and Coventry, or what do you take?—Does it matter which we take?

3061. The Tribunal have to take one or the other, have they not?—I am not so sure.

(President): You are quite right, Mr. Karslake.

(*The Witness withdrew.*)

(*Mr. Geoffrey Lawrence*): Subject to Mr. Hill's further cross-examination, Sir, that is the case for the London County Council.

MR. STANLEY WILLIAM HILL, recalled.

(*Mr. Geoffrey Lawrence*): Whilst Mr. Hill is opening his papers, Sir, might I ask for your guidance upon one matter as to the remaining procedure at this Inquiry? The evidence on behalf of my clients will be concluded when Mr. Hill has finished. Last year at that point I made my final address to you, which was before the close of the Inquiry as a whole. This time I am available, with my learned Juniors, until the end of your proceedings; I do not know whether it would be more convenient, if there may this year be further evidence, as there was last year and the year before, I believe, from the Commission's witnesses, and by learned friend Mr. Rippon may be calling evidence—

(President): I am told by someone representing him that he does not intend to do so.

(*Mr. Geoffrey Lawrence*): Then I wonder if it would be convenient if I could defer my address to you until the whole of the evidence has been given? I will do whatever you think is more appropriate and more helpful.

(President): I think, Mr. Lawrence, putting it more truly, it depends upon whether we are likely to ask the Commission's witnesses any more questions.

(*Mr. Geoffrey Lawrence*): If you please, Sir. I did not want the position to arise hereafter that arose yesterday, when further evidence was given and there was no one here on behalf of the Objectors to deal with it.

Cross-examination by Mr. HAROLD WILLIS, continued.

3068. Last night we had just been considering the estimate of receipts which you put forward last time?—That is so.

3069. And as I understand it, you were saying, and your learned Counsel was saying, that that estimate was to be deemed to have been withdrawn at some late stage of the proceedings?—Yes; it was never incorporated in our positive case, as put in the tables, until a very late stage in the proceedings, when relying on interpretation of evidence given by Mr. Valentine it appeared that there was an inconsistency in certain figures which had been given, which, if interpreted in that way, pointed to an error of £0.8m. in his estimate for "Y" year.

3070. May I just refresh your memory as to how you introduced the matter? I do not want to take very long over it, but it was on the Fifteenth Day of the last hearing at page 305, when you say this?—

(President): Is this in examination or cross-examination, Mr. Willis?

3071. (*Mr. Harold Willis*): It is in examination-in-chief, Sir. (*To the Witness*): You said: "It will probably help if I make it clear that my opinion"—that is, your opinion about the receipts?—Yes.

3072. —"is based on the view that one gets a better result—and I support this for other reasons which I will give in a minute—one gets a result which is more likely to be accurate, if one has regard to the whole experience of the year 1952 and not just to the experience in the three closing months exclusive of December".—Yes; I maintained that throughout.

3062. (*Mr. Harold Willis to the Witness*): May I ask you this: Have the London County Council really thought about this?—I cannot answer that question.

3063. Of course, you are in the Valuation Department?—Yes.

3064. And you have not had any particular experience of transport?—No.

3065. And your main qualification for giving evidence here is your familiarity with figures?—My familiarity with figures? Yes—the critical examination of figures.

3066. Due to your rating experience perhaps, amongst other things?—Yes.

3067. But not due to your knowledge and experience with regard to transport?—No.

(*The Witness withdrew.*)

(*Mr. Geoffrey Lawrence*): Subject to Mr. Hill's further cross-examination, Sir, that is the case for the London County Council.

MR. STANLEY WILLIAM HILL, recalled.

(President): No. I think you had better defer your reply until after we have either asked such questions as we want of the Commission's witnesses or at any rate said that we do not propose to ask them.

(*Mr. Geoffrey Lawrence*): And that stage, as I understand it, Sir, would not be reached until after you have heard such other Objectors as may be outstanding. This is only for the guidance, not only of myself, but of my learned friends, as to approximate times and procedure.

(President): Yes. We shall not ask for any of the Commission's witnesses to be recalled until we have heard all the evidence from every source. When that happy event will be reached, one cannot be quite certain; we hope it will be tomorrow. I think that is the utmost assistance I can give, Mr. Lawrence.

(*Mr. Geoffrey Lawrence*): If you please, Sir; that is all I was asking for, and I am very grateful to you for that indication.

(President): I do not know whether it would be a topical remark for me to say to you, if you are familiar with the great event of the day, "Never Say Die".

(*Mr. Geoffrey Lawrence*): I had just had that encouraging message passed to me; it was particularly appropriate in the circumstances of the leading Objector!

3073. You go on: "My figure of another £0.8m. on the £67.7m. is a figure based on the whole experience of 1952 adjusted appropriately by figures which Mr. Valentine has himself given, and not just on the three months September, October and November". So it was quite clear that you were seeking at that stage to suggest a better basis for the "Y" year estimate than Mr. Valentine had adopted?—That is quite right; but then, of course, Mr. Valentine proceeded afterwards to clear up this misunderstanding about what augmentation meant.

3074. Do not go too quickly; let me just trace it through. You were cross-examined by me on the fallacy in your Table 121?—On augmentation, yes.

3075. I have no doubt that my cross-examination was not nearly so clear as the matter was subsequently explained by Mr. Valentine, but the points were brought out?—Yes.

3076. And the table remained part of your case?—Yes.

3077. And it was not withdrawn?—No.

3078. It was not withdrawn in my learned friend's speech on behalf of the Middlesex County Council?—It was not cleared up, because at that stage Mr. Valentine had not cleared it up.

3079. Is that really the answer, that when it became quite clear by the fact that the Tribunal did not call for a reply from me on that matter, at that stage it would have been desirable to withdraw that table, had you been there?—No. The answer became perfectly clear when Mr. Valentine put in, on the last day but one

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MR. STANLEY WILLIAM HILL

[Continued]

of the Inquiry, at the stage to which you refer, a statement headed: "Correction of the Exhibits CC/H.121".

3080. And is this right, that what you are saying is that had you been in the room at that stage, you would have instructed my learned friend Mr. Lawrence to jump up and say: "I therefore withdraw Table 121"?—Oh, no, not at all—I should not have jumped up then; I would have taken it home and looked at it very carefully. All these things are much too complicated—

3081. But you see, you would not have had a chance to go home; all this was on the last day.—That is quite right.

3082. You say the suggestion that it was deemed to be withdrawn was not in accordance with what would have happened—but do not let us take up too much time with this.—The statement I made was that that statement of Mr. Valentine's clarified the position and made it quite clear. The error on my Table CC/H.121 was based, as the Tribunal found, on a misinterpretation on his evidence about augmentation.

3083. The suggestion made yesterday was that had Mr. Lawrence been there when Mr. Valentine gave his evidence, the whole of Table CC/H.121 would have been withdrawn?—No, I am quite certain that it would not. But had the proceedings gone on another day, it would have been done; we certainly would not have withdrawn it without examining it.

(*Mr. Geoffrey Lawrence*): I hope I did not add any confusion to this yesterday; I should have thought that obviously a table like that would have needed time to consider it, and if we had examined it and if it had become clear, I hope the conduct of the Objectors' case, at least in my hands—

(*President*): You know, Mr. Lawrence, I am never very much interested in the line of cross-examination which consists of suggesting, to an expert witness, whether he be a statistician or anyone else, that he was wrong on one occasion so therefore he is unlikely to be right now. I have never heard an advocate have the hardihood to suggest the opposite thing, namely, that if an expert is wrong on ten previous occasions, he is likely to be right on the eleventh. Everybody is right sometimes; let us proceed upon the footing that the Commission is wrong, Mr. Hill has been wrong, and the Tribunal has been wrong; the question is: How near can we get, with your assistance today, to being right?

3084. (*Mr. Harold Willis (to the Witness)*): That leads me to the second way in which you might have tested your estimate, namely, by reference to the current year.—1954?

3085. Yes; you have made an estimate which you have put forward, suggesting that the Commission on this occasion are nearly £1m. too low?—Yes.

3086. I suggested the comparison with the previous estimate, and we have disposed of that. I am now going to suggest that you might have thought it wise to test it by relation to the current year's results?—I did that as far as they were available; that was for the first three periods.

3087. And we have now seen in BTC 709, how the current year is working out.—Is that the one that was put in yesterday?

3088. Yes.—Yes, we see how it is working out, and it is really quite revealing.

3089. I am told that we can in fact put one more week on to the document now; I am told that in the last column but one we can put in a figure for the 30th May, namely, £1,361,000.

(*President*): Actual?

3090. (*Mr. Harold Willis*): Yes, Sir. (*To the Witness*): And we can put in the last column, by way of addition to the minus 245, minus 43, making a total of minus 288?—Yes.

3091. Up to what date in 1954 were the receipts available to you when you decided to put forward your estimate?—When I was originally working, up to the 28th March, and in the course of my working, up to the 25th April; they happily arrived on a Saturday morning, just when I wanted them. They were split up over the categories; I have never had the 25th April figures except in their crude provisional form on the little blue sheet—and nobody has had them otherwise.

3092. Since you have had an opportunity to look at BTC 709, have you had any second thoughts?—Not at all. As I have already said, this statement is most revealing, especially as regards the first column, the budget. I have had plenty of opportunity to study that since it was handed in yesterday and I have found out various things about it which confirm me in my opinion very much now.

3093. What do you desire to say about that?—First of all, this budget for 1954 follows the precise pattern of the budget for 1953 month by month, also the cumulative figures down to a maximum difference at any one stage. It is precisely the same, despite the fact that 1953 was found to be falsified by results; so that if the 1953 budget was, as I suspect, erroneous in the sense that it had attracted too much to the earlier months, and too little to the later months, this one does precisely the same—it follows precisely the same curve—and naturally would produce some of these minuses in the last column. I have prepared a table which has not been handed in, but which your clients should have—

3094. Let us take it in totals. Instead of the total for seven weeks to the 23rd May, budget, £26,539,000, what is your figure?—What is my figure?

3095. Yes.—I have not a figure.

3096. I thought you were criticising our budget and that you were going to suggest some alternative?—No. I am saying that the budget for 1954, which spreads an assumed total figure over every week of the year, and indeed right down to a couple of days, follows the precise curve, as near as one can measure it, as the budget for 1953.

3097. But the point is: What curve do you say should have been followed?—I do not need a curve. I regard this as an exercise, useful up to a point for the internal needs of the Commission, but statistically unreliable.

3098. Are you in a position, having criticised our budget, to make any splits as between the various periods of the year of the total of £70.6m.?—I have not needed to.

3099. I did not ask whether you had needed to; have you done it?—No.

3100. What do you estimate the budget figure should have been? Let me ask you this again: What do you estimate the budget figure should have been for the period up to the 23rd May?—I cannot answer that, because I have had no occasion to work it out.

3101. That represents 20 weeks out of a total of 52 weeks—

(*President*): I am extremely sorry to interrupt your cross-examination, Mr. Willis, but you will be some little time on this matter, and I do not want to be too late in meeting my Seniors at Lincoln's Inn.

We will adjourn now until half-past 10 to-morrow morning.

(*The Witness withdrew*)

(*Adjourned until tomorrow morning at 10.30.*)

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[Continued]

CORRIGENDA

PROCEEDINGS, THIRD DAY—WEDNESDAY, 26TH MAY, 1954

Page 45, Question 663, line 5—for "16" read "6 (d)"
 Page 45, Question 664, line 4—for "applied" read "supplied"
 Page 45, Question 665, line 2—for "£600,000" read "£700,000"
 Page 47, Question 706, line 11—insert "first" before "six"
 Page 47, Question 717, line 6—insert "only" after "looked"
 Page 47, Question 718, last line—for "of" read "in"
 Page 48, Question 732, line 12—for "is" read "makes it"
 Page 48, Question 735, line 4—for "resisted" read "persisted"
 Page 50, Question 784, line 5—for "You" read "We"
 Page 50, Question 784, line 9—insert comma after "you" and insert "it," after "made"
 Page 51, Question 787, line 3—for "£0.218m." read "£0.248m."
 Page 51, Question 794, line 8—insert "not" after "have" and insert inverted commas before "the" and after "£666,000" in line 9
 Page 51, Question 795, line 1—for "a rounded" read "an unrounded"
 Page 51, Question 799—insert comma after second "short" and add "if you only work it to one place of decimals"
 Page 51, Question 800—delete whole of line 1
 Page 51, Question 800, line 8—for "£4,555,000" read "£4,550,000"
 Page 51, Question 800, line 11—insert comma after "proportion"
 Page 51, Question 800, line 12—for "If £2,880,000" read "and the £2,808,000"
 Page 51, Question 800, lines 12 and 13—for "year, and that" read "year that"
 Page 51, Question 800, line 13—for "for" read "to"
 Page 51, Question 800, line 14—for "purposes, they" read "purposes. They"
 Page 51, Question 800, line 16—for "applying" read "allowing for"
 Page 51, Question 801, line 10—for "firs" read "first"
 Page 52, Question 825, line 1—insert "off the" before the second "column 3"
 Page 53, Question 841, lines 5 and 6—delete "f" before all figures
 Page 53, Question 841, last 3 lines—delete all words after "because" and insert "in column 3 period 1 shows the higher figure, and in column 5 period 2 shows the higher figure"
 Page 54, Question 853, line 10—delete comma after "homes" and insert a dash
 Page 54, Question 862, line 1—for "four miles" read "three miles"
 Page 54, Question 862, line 2—for "three miles" read "four miles"
 Page 55, Question 865, last line—for "deducted" read "deduced"
 Page 57, Question 907, first line—for "increase" read "decrease"
 Page 57, Question 921, line 2—after "think" insert "any," and after "it" insert "already"
 Page 58, Question 939, line 12—for "revision" read "revisions"
 Page 58, Question 944, line 4—insert comma after "traffic"
 Page 58, Question 944, line 5—after "not" insert "at"
 Page 58, Question 944, line 6—delete "it"
 Page 58, Question 950, line 2—for "date" read "dates"
 Page 58, Question 952, line 3—after "yes" insert "in"
 Page 59, Question 969, lines 3, 4, 5 and 6—delete and substitute "In as much as a decline in passenger journeys was similar in the higher fares, and not mostly at the shorter distances, there would not be much difference between the two figures"
 Page 59, Question 972, last line—for "different fare levels" read "each of the different fare values"
 Page 59, Question 984, line 4—before "3d." insert "former"
 Page 59, Question 991, line 6—for "other" read "these"
 Page 59, Question 991, line 7—insert "other" after "to" at end of line
 Page 59, Question 992, line 3—for "BTC 504" read "BTC 503"
 Page 59, Question 993, lines 9 and 10—delete and substitute "when the 1d. fare went to 1½d. when we allowed for a discount of 20 per cent. in 1940"
 Page 60, Question 996, line 3—for "distance" read "discount"
 Page 60, Question 997—for "miles" read "millions"
 Page 60, Question 1001, line 4—for "even agreed the" read "even agreed those"

PROCEEDINGS, FOURTH DAY—THURSDAY, 27TH MAY, 1954

Page 71, Question 1004, line 6—for "403" read "503"
 Page 71, Question 1004, line 12—delete full stop after "year" and insert "on Exhibit BTC 803"
 Page 71, Question 1006, line 3—for "addition" read "additional"
 Page 71, Question 1007, paragraph 1, line 9—for "is" read "so"
 Page 71, Question 1007, paragraph 2, line 4—before "making" insert "in"
 Page 71, Question 1007, paragraph 2, line 5—for "assume" read "assumed"
 Page 71, Question 1007, paragraph 2, line 9—for "3d." read "3½d."
 Page 71, Question 1007, paragraph 2, line 10—delete full stop after "traffic" and insert "compared with the 3d. traffic in 'Y' year."
 Page 72, Question 1008, last line—insert a dash after "that"
 Page 72, Question 1016, line 2—for "827" read "72"
 Page 72, Question 1024, last line—for "a" read "each"
 Page 72, Question 1027, line 1—for "£1,767,000" read "£1,738,000"
 Page 72, Question 1030, line 1—for "expect" read "expected"
 Page 72, Question 1031, line 11—after "larger" insert "than expected"
 Page 72, Question 1031, line 11—for "6" read "8½"
 Page 72, Question 1031, line 11—before "it" insert "and then"
 Page 72, Question 1031, line 13—for "discounted" read "the discount for"
 Page 72, Question 1031, line 13—for "the" read "for a"
 Page 73, Question 1037, line 2—for "£12,769,000" read "£12,869,000"
 Page 73, Question 1039, line 3—for "504" read "503"
 Page 73, Question 1042, line 6—for "£8,081,000" read "£28,081,000"
 Page 74, Question 1054, line 14—for "presented" read "represented"
 Page 74, Question 1056, lines 7 and 8—for "the process should be" read "that process would mean"
 Page 74, Question 1060, (Witness), line 3—after "to" insert "a"
 Page 74, Questions 1062-3, (Mr. Rippon), line 10—after "year" insert "or"
 Page 74, Questions 1062-3, (Mr. Rippon), line 12—before "Paragraph" insert "in"

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[Continued]

Page 74, Question 1067, line 9—delete comma after "suggested"
 Page 75, Question 1081, line 1—for "expect" read "expected"
 Page 75, Question 1082, line 4—for "expect" read "expected"
 Page 75, Question 1084, line 7—insert a comma after "increased"
 Page 75, Question 1084, line 8—delete comma after "points"
 Page 75, Question 1085, line 4—after "No," insert "only"
 Page 75, Question 1091, line 5—insert a colon after "attractive" and for "to transport people" read "to attract more people to travel"
 Page 76, Question 1094, last line—for "is said here" read "I said before"
 Page 76, Question 1101, line 1—delete "at"
 Page 76, Question 1108, line 8—for "scheme" read "Scheme" and for "has produced so far" read "is designed to produce"
 Page 77, Question 1116, line 2—for "I think" read "of course"
 Page 77, Question 1141, line 1—delete the dash before "I"
 Page 77, Question 1142, line 5—for "A factor had" read "It is a fact that has"
 Page 77, Question 1142, line 8—for "was" read "is"
 Page 77, Question 1142, line 9—for "you got" read "we would get"
 Page 78, Question 1158, line 9—for "with" read "within"
 Page 79, Question 1183, line 7—for "range" read "ranged"
 Page 79, Question 1184, lines 10 and 11—for "for the" read "to a"
 Page 79, Question 1186, line 5—for "of the" read "of a"
 Page 80, Question 1202, (The Witness), last line—substitute a comma for the full stop after "can" and insert "as your questions mainly concern the availability and status of figures"
 Page 80, Question 1209, line 3—for "their" read "the"
 Page 80, Question 1211, line 2—for "staff" read "stock"
 Page 83, Question 1267, line 10—for "have" read "hope"
 Page 83, Question 1276, line 4—from "alternatives" the text to form another question (1276a) by Mr. Rippon
 Page 83, Question 1281, last line—for "have by that" read "of their" and after "introduction" insert "have"
 Page 83, Question 1283, line 2—for "I" read "you"
 Page 84, Question 1292, lines 20 and 21—for "recommendations" read "reductions" and after "Central" insert "Bus"
 Page 84, Question 1295, line 4—after "but" insert "for"
 Page 84, Question 1296, line 6—for "limit" read "figure"
 Page 84, Question 1303, line 2—after "route" insert "and"
 Page 84, Question 1303, line 4—for "and" read "then"
 Page 84, Question 1305, line 1—after "said" insert "in" and for "Excluding" read "That is, excluding"
 Page 84, Question 1311, line 5—for "reflection" read "reduction"
 Page 85, Question 1313, line 4—after "bus" insert "anywhere"
 Page 87, Question 1371, line 4—after "are" insert "done for"
 Page 87, Question 1380, line 2—after "much" insert "more"
 Page 87, Question 1384, line 1—after "last" insert "of the"
 Page 87, Question 1384, line 2—for "last weeks" read "last week"
 Page 87, Question 1384, line 13—after "is" insert "at least"
 Page 88, Question 1390, (The Witness), line 1—for "if" read "when"
 Page 89, Question 1422, line 3—delete "£" sign
 Page 90, Question 1440, paragraph 2, line 8—for "simple" read "sample" and for "approved" read "through"
 Page 90, Question 1440, paragraph 3, line 12—insert a full stop after "agreed" and remainder of paragraph to read "An allowance had to be made for adjustments of clearances in relation to warrants."
 Page 90, Question 1443, line 5—delete "plus Z year"
 Page 90, Question 1446, lines 10 and 11—for "agreement" read "assessment"
 Page 96, LCC 303, column 4—for "p. 256" read "p. 526"
 Page 98, LCC 304C, note (c)—delete the words "adjusted to allow for Transport Tribunal Modification, 20th July, 1953, page 16, column 2, at 2, 3 and 4 miles"

LCC 309B
(amended)

ESTIMATED ANNUAL REVENUE—LONDON LINES

ORDINARY AND DAY RETURNS COMPARING ESTIMATED REVENUE FOR "Y" YEAR AFTER DISCOUNTED INCREASES
WITH "Z" YEAR AT EXISTING CHARGES

Category (1)	BTC 510A		"Y" year including discounted yield (4)	BTC 810A "Z" year at existing charges (5)	Difference (6)
	"Y" year at existing charges (2)	Discounted yield (3)			
1. Day Return Fares	£'000 5,708	£'000 375	£'000 6,083	£'000 4,632*	£'000 —
2. Ordinary Fares (excl. LTS)	2,685	—	2,685	4,258	—
3. TOTAL (excl. LTS Ord.)	8,393	375	8,768	8,890	+ 122
4. LTS Ordinary	1,140*	52*	1,192	1,161*	— 31
TOTAL	9,533	427	9,960	10,051	+ 91

* Adjusted in accordance with BTC corrections.